Brambles Limited
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22 February 2016

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

Via electronic lodgement

Dear Sir / Madam

Brambles reports results for the half-year ended 31 December 2015

Attached in accordance with Listing Rule 4.2A is the consolidated financial report, directors' report and auditors' review report for Brambles Limited for the half-year ended 31 December 2015.

Yours faithfully
Brambles Limited

Robert Gerrard
Group Company Secretary

Brambles

Results for Announcement to the Market

Brambles Limited

ABN 89 118 896 021

Appendix 4D

Consolidated financial report
for the half-year ended 31 December 2015

Six months ended 31 December	2015 US$M	2014 US$M	% change (actual FX rates)	% change (constant FX rates)
Statutory Results				
Continuing operations after Significant Items[1]:				
Sales revenue	**2,752.2**	2,795.1	-2%	8%
Operating profit	**462.7**	466.1	-1%	12%
Profit before tax	**408.2**	407.0	0%	13%
Profit after tax	**290.9**	286.1	2%	14%
Discontinued operations - loss after tax	**-**	(0.8)		
Profit for the year attributable to members of the parent entity	**290.9**	285.3	2%	14%
Basic EPS (US cents) - includes discontinued operations	**18.5**	18.2	2%	14%
Continuing operations before Significant Items[1]:				
Sales revenue	**2,752.2**	2,795.1	-2%	8%
Underlying Profit	**473.8**	485.2	-2%	10%
Profit after tax	**296.3**	301.3	-2%	10%
Basic EPS (US cents)	**18.8**	19.3	-3%	9%
Interim dividend[2] (Australian cents)	**14.5**	14.0		

[1] Refer to Note 5 for Significant Items.

[2] The 2016 interim dividend is 25% franked and its record date is 11 March 2016

A commentary on these results is set out in Brambles' Half-Year Results announcement dated 22 February 2016.

Brambles

Consolidated Financial Report

for the half-year ended 31 December 2015

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Consolidated Income Statement

for the half-year ended 31 December 2015

	Note	First half 2016 US$M	First half 2015 US$M
Continuing operations			
Sales revenue	3	**2,752.2**	2,795.1
Other income		**49.8**	61.9
Operating expenses	4	**(2,339.3)**	(2,390.9)
Operating profit		**462.7**	466.1
Finance revenue		**1.0**	0.6
Finance costs		**(55.5)**	(59.7)
Net finance costs		**(54.5)**	(59.1)
Profit before tax		**408.2**	407.0
Tax expense		**(117.3)**	(120.9)
Profit from continuing operations		**290.9**	286.1
Loss from discontinued operations		**-**	(0.8)
Profit for the period attributable to members of the parent entity		**290.9**	285.3
Earnings per share (cents)	6		
Total			
- basic		**18.5**	18.2
- diluted		**18.4**	18.2
Continuing operations			
- basic		**18.5**	18.3
- diluted		**18.4**	18.2

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

Consolidated Statement of Comprehensive Income

for the half-year ended 31 December 2015

	First half 2016 US$M	First half 2015 US$M
Profit for the period	**290.9**	285.3
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Actuarial gains/(losses) on defined benefit pension plans	**8.8**	(23.9)
Income tax on items that will not be reclassified to profit or loss	**(1.8)**	5.0
	7.0	(18.9)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign subsidiaries	**(137.4)**	(216.4)
Other comprehensive loss for the period	**(130.4)**	(235.3)
Total comprehensive income for the period attributable to members of the parent entity	**160.5**	50.0

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

Brambles

Consolidated Balance Sheet

as at 31 December 2015

	Note	December 2015 US$M	June 2015 US$M
Assets			
Current assets			
Cash and cash equivalents		**237.7**	166.2
Trade and other receivables		**1,048.2**	1,044.6
Inventories		**91.1**	81.3
Other assets		**63.7**	59.0
Total current assets		**1,440.7**	1,351.1
Non-current assets			
Investments		**-**	5.9
Property, plant and equipment		**4,484.2**	4,424.7
Goodwill		**1,522.7**	1,530.5
Intangible assets		**198.7**	220.5
Deferred tax assets		**40.8**	41.9
Other assets		**21.5**	20.0
Total non-current assets		**6,267.9**	6,243.5
Total assets		**7,708.6**	7,594.6
Liabilities			
Current liabilities			
Trade and other payables		**1,294.4**	1,285.8
Borrowings		**243.1**	127.5
Tax payable		**67.9**	63.2
Provisions		**78.5**	103.0
Total current liabilities		**1,683.9**	1,579.5
Non-current liabilities			
Borrowings		**2,652.5**	2,727.6
Provisions		**15.5**	19.2
Retirement benefit obligations		**41.1**	55.0
Deferred tax liabilities		**582.9**	564.3
Other liabilities		**6.0**	7.9
Total non-current liabilities		**3,298.0**	3,374.0
Total liabilities		**4,981.9**	4,953.5
Net assets		**2,726.7**	2,641.1
Equity			
Contributed equity	8	**6,108.5**	6,027.4
Reserves		**(7,243.0)**	(7,101.8)
Retained earnings		**3,861.2**	3,715.5
Total equity		**2,726.7**	2,641.1

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

Brambles

Consolidated Cash Flow Statement

for the half-year ended 31 December 2015

	First half 2016 US$M	First half 2015 US$M
Cash flows from operating activities		
Receipts from customers	**3,149.3**	3,130.8
Payments to suppliers and employees	**(2,396.9)**	(2,400.6)
Cash generated from operations	**752.4**	730.2
Interest received	**1.0**	0.6
Interest paid	**(28.8)**	(38.6)
Income taxes paid on operating activities	**(88.9)**	(88.9)
Net cash inflow from operating activities	**635.7**	603.3
Cash flows from investing activities		
Payments for property, plant and equipment	**(553.4)**	(521.2)
Proceeds from sale of property, plant and equipment	**48.8**	38.3
Payments for intangible assets	**(3.7)**	(5.9)
Acquisition of subsidiaries, net of cash acquired	**(21.8)**	(426.8)
Loan outflows with associates	**(3.4)**	-
Net cash outflow from investing activities	**(533.5)**	(915.6)
Cash flows from financing activities		
Proceeds from borrowings	**820.5**	980.4
Repayments of borrowings	**(739.1)**	(449.1)
Net outflow from hedge instruments	**(4.5)**	(22.0)
Proceeds from issues of ordinary shares	**0.9**	0.9
Dividends paid, net of Dividend Reinvestment Plan[1]	**(87.0)**	(186.2)
Net cash inflow from financing activities	**(9.2)**	324.0
Net increase in cash and cash equivalents	**93.0**	11.7
Cash and deposits, net of overdrafts, at beginning of the period	**156.7**	221.8
Effect of exchange rate changes	**(15.5)**	(20.1)
Cash and deposits, net of overdrafts, at end of the period[2]	**234.2**	213.4

1 The Dividend Reinvestment Plan was reactivated for the 1H16 dividend payment (refer Note 7).

2 Cash and deposits of US$234.2 million at the end of the period, is net of overdrafts of US$3.5 million.

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

Brambles

Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2015

	Note	Contributed equity US$M	Reserves US$M	Retained earnings US$M	Total US$M
Half-year ended 31 December 2014					
Opening balance		5,993.4	(6,742.5)	3,500.1	2,751.0
Profit for the period		-	-	285.3	285.3
Other comprehensive loss		-	(216.4)	(18.9)	(235.3)
Total comprehensive income		-	(216.4)	266.4	50.0
Share-based payments:					
- expense recognised		-	11.5	-	11.5
- shares issued		-	(26.0)	-	(26.0)
- equity component of related tax		-	1.7	-	1.7
Transactions with owners in their capacity as owners:					
- dividends declared		-	-	(197.3)	(197.3)
- issues of ordinary shares, net of transaction costs		26.1	-	-	26.1
Closing balance		6,019.5	(6,971.7)	3,569.2	2,617.0
Half-year ended 31 December 2015					
Opening balance		**6,027.4**	**(7,101.8)**	**3,715.5**	**2,641.1**
Profit for the period		**-**	**-**	**290.9**	**290.9**
Other comprehensive (loss)/gain		**-**	**(137.4)**	**7.0**	**(130.4)**
Total comprehensive income		**-**	**(137.4)**	**297.9**	**160.5**
Share-based payments:					
- expense recognised		**-**	**13.4**	**-**	**13.4**
- shares issued		**-**	**(11.9)**	**-**	**(11.9)**
- equity component of related tax		**-**	**0.2**	**-**	**0.2**
Transactions with owners in their capacity as owners:					
- transfers between reserves		**-**	**(5.5)**	**5.5**	**-**
- dividends declared		**-**	**-**	**(157.7)**	**(157.7)**
- issues of ordinary shares, net of transaction costs	8	**81.1**	**-**	**-**	**81.1**
Closing balance		**6,108.5**	**(7,243.0)**	**3,861.2**	**2,726.7**

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

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2015

Note 1. Basis of Preparation

These financial statements present the consolidated results of Brambles Limited (ACN 118 896 021) and its subsidiaries (Brambles or the Group) for first half 2016.

These consolidated financial statements are a general purpose financial report and have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134: Interim Financial Reporting which ensures compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

These interim consolidated financial statements do not include all of the notes that would normally be included in an annual financial report. The interim consolidated financial statements should be read in conjunction with Brambles' 2015 Annual Report and public announcements made by Brambles during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act*.

References to 2016 and 2015 are to the financial years ending on 30 June 2016 and 30 June 2015 respectively.

The consolidated financial statements and all comparatives have been prepared using consistent accounting policies, as set out in Brambles' 2015 Annual Report.

Note 2. Other Information

A) New Accounting Standards and Interpretations Issued But Not Yet Applied

At 31 December 2015, certain new accounting standards and interpretations have been published that will become mandatory in future reporting periods. Brambles has not early-adopted these new or amended accounting standards and interpretations in first half 2016.

AASB 9: Financial Instruments is applicable to annual reporting periods beginning on or after 1 January 2018. AASB 9 addresses the classification, measurement and derecognition of financial assets and liabilities, introduces a new impairment model and introduces new rules for hedge accounting. AASB 9 may affect Brambles' accounting for financial assets and liabilities, however it is not expected to have a significant impact on Brambles financial statements.

AASB 15: Revenue from Contracts with Customers is applicable to annual reporting periods beginning on or after 1 January 2018 and is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The new standard replaces the principle under the current standard of recognising revenue when risks and rewards transfer to the customer. Brambles is yet to assess the impact of the new rules on its revenue recognition policy.

IFRS 16: Leases has recently been issued by the International Accounting Standards Board and is yet to be adopted by the Australian Accounting Standards Board (AASB). IFRS 16 will require lessees to recognise most leases on the balance sheet. IFRS 16 is effective for reporting periods beginning on or after 1 January 2019. Brambles will assess the impact of the new standard once adopted by the AASB.

B) Foreign Currency

The principal exchange rates affecting Brambles were:

		A$:US$	€:US$	£:US$
Average	First half 2016	0.7179	1.0979	1.5245
	First half 2015	0.8832	1.2759	1.6180
Period end	31 December 2015	0.7277	1.0928	1.4809
	30 June 2015	0.7673	1.1220	1.5729

C) Rounding of Amounts

As Brambles is a company of a kind referred to in ASIC Class Order 98/100, relevant amounts in the financial statements and Directors' Report have been rounded to the nearest hundred thousand US dollars or, in certain cases, to the nearest thousand US dollars. Amounts in cents have been rounded to the nearest tenth of a cent.

Note 3. Segment Information

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

Brambles has six reportable segments, being Pallets - Americas, Pallets - EMEA, Pallets - Asia-Pacific (each pallet pooling businesses), Reusable Plastic Crates (RPCs) (crate pooling businesses), Containers (container pooling businesses) and Corporate (corporate centre).

Segment performance is measured on sales revenue, 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 on page 10.

Segment sales revenue is measured on the same basis as in the income statement. Segment sales revenue is allocated to segments based on product categories and physical location of the business unit that invoices the customer. Intersegment revenue during the period 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 are not allocated to segments.

	Sales revenue		Cash Flow from Operations[1]		Brambles Value Added[2]	
	First half 2016 US$M	First half 2015 US$M	First half 2016 US$M	First half 2015 US$M	First half 2016 US$M	First half 2015 US$M
By operating segment						
Pallets - Americas	**1,210.6**	1,180.6	**97.1**	127.9	**73.0**	56.3
Pallets - EMEA	**677.1**	728.6	**122.0**	105.1	**105.6**	96.1
Pallets - Asia-Pacific	**158.3**	181.4	**30.7**	27.1	**14.3**	10.5
Pallets	**2,046.0**	2,090.6	**249.8**	260.1	**192.9**	162.9
RPCs	**482.1**	471.5	**21.3**	13.4	**(35.4)**	(26.4)
Containers	**224.1**	233.0	**12.6**	14.4	**(38.3)**	(16.0)
Corporate	**-**	-	**(23.4)**	(19.3)	**(15.7)**	(16.7)
Continuing operations	**2,752.2**	2,795.1	**260.3**	268.6	**103.5**	103.8
By geographic origin						
Americas	**1,372.8**	1,328.2				
Europe	**1,024.9**	1,100.4				
Australia	**184.7**	211.1				
Other	**169.8**	155.4				
Total	**2,752.2**	2,795.1				

Containers segment - Goodwill

The recoverable amount of goodwill is determined based on value in use calculations undertaken at the cash generating unit (CGU) level either annually, or when there is an indicator of potential impairment in the CGU. The value in use is calculated using a discounted cash flow methodology covering a five-year period with an appropriate terminal value at the end of that period.

Impairment testing at 30 June 2015 and since has concluded that the carrying amounts of goodwill are supported. However at the half-year end, there is reduced headroom in the value in use calculation for the Oil & Gas CGU (part of the Containers segment), which has recorded goodwill of US$304.6 million.

Key assumptions included in the value in use model for the Oil & Gas CGU include average revenue growth rate of 6.7%, terminal growth rate of 2.3% and pre-tax weighted average cost of capital (WACC) of 10.6%.

All other things being equal, a reasonably possible change in any of these key assumptions could cause the carrying value of the Oil and Gas CGU to be impaired.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2015 - continued

Note 3. Segment Information - continued

	Operating profit[3]		Significant Items before tax[4]		Underlying Profit[4]	
	First half 2016 US$M	First half 2015 US$M	First half 2016 US$M	First half 2015 US$M	First half 2016 US$M	First half 2015 US$M
By operating segment						
Pallets - Americas	**196.1**	184.2	**(7.4)**	(6.2)	**203.5**	190.4
Pallets - EMEA	**175.6**	183.4	**(0.2)**	-	**175.8**	183.4
Pallets - Asia-Pacific	**32.1**	35.2	**(0.1)**	(0.7)	**32.2**	35.9
Pallets	**403.8**	402.8	**(7.7)**	(6.9)	**411.5**	409.7
RPCs	**62.5**	67.3	**4.2**	-	**58.3**	67.3
Containers	**19.7**	30.2	**(1.4)**	(0.4)	**21.1**	30.6
Corporate	**(23.3)**	(34.2)	**(6.2)**	(11.8)	**(17.1)**	(22.4)
Continuing operations	**462.7**	466.1	**(11.1)**	(19.1)	**473.8**	485.2

	Capital expenditure[5]		Depreciation and amortisation	
	First half 2016 US$M	First half 2015 US$M	First half 2016 US$M	First half 2015 US$M
By operating segment				
Pallets - Americas	**226.0**	178.3	**108.2**	107.7
Pallets - EMEA	**141.2**	138.0	**57.8**	64.8
Pallets - Asia-Pacific	**21.1**	31.4	**18.2**	21.0
Pallets	**388.3**	347.7	**184.2**	193.5
RPCs	**115.4**	134.0	**52.6**	51.5
Containers	**41.6**	42.9	**33.8**	32.2
Corporate	**-**	0.1	**0.6**	1.0
Continuing operations	**545.3**	524.7	**271.2**	278.2

Note 3. Segment Information - continued

	Segment assets		Segment liabilities	
	December 2015 US$M	June 2015 US$M	December 2015 US$M	June 2015 US$M
By operating segment				
Pallets - Americas	**2,438.1**	2,398.9	**381.0**	399.3
Pallets - EMEA	**1,406.0**	1,419.7	**286.4**	310.6
Pallets - Asia-Pacific	**378.5**	397.6	**69.4**	75.5
Pallets	**4,222.6**	4,216.2	**736.8**	785.4
RPCs	**2,097.8**	2,025.1	**549.7**	521.5
Containers	**1,052.1**	1,100.4	**101.4**	112.6
Corporate	**47.3**	31.8	**47.6**	51.4
Total segment assets and liabilities	**7,419.8**	7,373.5	**1,435.5**	1,470.9
Cash and borrowings[6]	**237.7**	166.2	**2,895.6**	2,855.1
Current tax balances	**10.3**	7.1	**67.9**	63.2
Deferred tax balances	**40.8**	41.9	**582.9**	564.3
Equity-accounted investments	**-**	5.9	**-**	-
Total assets and liabilities	**7,708.6**	7,594.6	**4,981.9**	4,953.5
Non-current assets by geographic origin[7]				
Americas	**2,863.8**	2,833.4		
Europe	**2,598.7**	2,615.6		
Australia	**306.0**	319.6		
Other	**445.7**	424.7		
Total	**6,214.2**	6,193.3		

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 Brambles Value Added (BVA) is a non-statutory profit measure and represents the value generated over and above the cost of the capital used to generate that value. It is calculated using fixed 30 June 2015 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 a non-statutory profit measure and represents 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 better understand Brambles' business results.

5 Capital expenditure on property, plant & equipment on an accruals basis.

6 €500.0 million of loan notes have been hedged with interest rate swaps for fair value risk. In accordance with AASB139, the carrying value of the notes has been increased by US$14.6 million (June 2015: US$11.1 million) in relation to changes in fair value attributable to the hedged risk.

The fair values of all financial instruments held on the balance sheet as at 31 December 2015 equal the carrying amount, with the exception of loan notes, which has a carrying amount of US$2,302.0 million and an estimated fair value of US$2,391.7 million. Financial assets and liabilities held at fair value are estimated to fair values using level 2 estimation techniques, whereas loan notes are estimated using both levels 1 and 2 estimation techniques. Further information on the estimation methodology is included within Brambles’ 2015 Annual Report.

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

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2015 - continued

Note 4. Operating Expenses - Continuing Operations

	First half 2016 US$M	First half 2015 US$M
Employment costs	**443.6**	458.7
Service suppliers:		
- transport	**544.0**	555.9
- repairs and maintenance	**388.7**	379.1
- subcontractors and other service suppliers	**253.8**	259.9
Raw materials and consumables	**239.8**	226.4
Occupancy	**98.7**	108.1
Depreciation of property, plant and equipment	**249.2**	253.7
Irrecoverable pooling equipment provision expense	**40.4**	42.1
Amortisation of intangible assets and deferred expenditure:		
- software	**6.1**	8.1
- acquired intangible assets (other than software)	**14.9**	15.3
- deferred expenditure	**1.0**	1.1
Net foreign exchange gains	**(0.3)**	(1.5)
Other	**59.4**	84.0
	2,339.3	2,390.9

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 (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 due to their size and nature.

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

	First half 2016 US$M		
	Before tax	Tax	After tax
Items outside the ordinary course of business:			
- acquisition-related costs[1]	**(1.3)**	**0.4**	**(0.9)**
- restructuring and integration costs[2]	**(14.8)**	**5.3**	**(9.5)**
- IFCO Japan acquisition gain[3]	**5.0**	**-**	**5.0**
Significant Items from continuing operations	**(11.1)**	**5.7**	**(5.4)**

	First half 2015 US$M		
	Before tax	Tax	After tax
Items outside the ordinary course of business:			
- acquisition-related costs[1]	(6.9)	0.2	(6.7)
- restructuring and integration costs[2]	(12.2)	3.7	(8.5)
Significant Items from continuing operations	(19.1)	3.9	(15.2)

1 Professional fees and other transaction costs were incurred in relation to IFCO Japan and other acquisition activities in first half 2016 and the Ferguson acquisition in first half 2015.

2 Redundancy, integration and other restructuring costs of US$14.8 million were incurred during the period (first half 2015: US$12.2 million), of which US$12.7 million related to the One Better program (first half 2015: US$8.3 million).

3 The remaining two thirds of IFCO Japan was acquired on 18 August 2015. On acquisition, the existing interest was remeasured at fair value resulting in a gain of US$5.0 million.

Note 6. Earnings Per Share

	First half 2016 US cents	First half 2015 US cents
Earnings per share		
- basic	**18.5**	18.2
- diluted	**18.4**	18.2
From continuing operations		
- basic	**18.5**	18.3
- diluted	**18.4**	18.2
- basic, on Underlying Profit after finance costs and tax	**18.8**	19.3
From discontinued operations		
- basic	**-**	(0.1)
- diluted	**-**	-

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.

	First half 2016 Million	First half 2015 Million
A) Weighted Average Number of Shares During the Period		
Used in the calculation of basic earnings per share	**1,573.0**	1,564.1
Adjustment for share rights	**4.5**	4.3
Used in the calculation of diluted earnings per share	**1,577.5**	1,568.4

	First half 2016 US$M	First half 2015 US$M
B) Reconciliations of Profits used in Earnings Per Share Calculations		
Statutory profit		
Profit from continuing operations	**290.9**	286.1
Loss from discontinued operations[1]	**-**	(0.8)
Profit used in calculating basic and diluted EPS	**290.9**	285.3
Underlying Profit after finance costs and tax		
Underlying Profit (Note 3)	**473.8**	485.2
Net finance costs	**(54.5)**	(59.1)
Underlying Profit before tax	**419.3**	426.1
Tax expense on Underlying Profit	**(123.0)**	(124.8)
Underlying Profit after finance costs and tax	**296.3**	301.3
which reconciles to statutory profit:		
Underlying Profit after finance costs and tax	**296.3**	301.3
Significant Items after tax (Note 5)	**(5.4)**	(15.2)
Profit from continuing operations	**290.9**	286.1

1 Results from discontinued operations in 1H16 comprise costs of US$(0.3) million offset by income of US$0.3 million relating to adjustments to divestment provisions. The US$0.3 million income has been recognised as a Significant Item during the period.

Note 7. Dividends

A) Dividends Paid During the Period

	Final 2015
Dividend per share (in Australian cents)	14.0
Cost (in US$ million)[1]	155.3
Payment date	8 October 2015

1 The dividend amount includes US$68.3 million relating to the non-cash Dividend Reinvestment Plan participation.

B) Dividend Declared after 31 December 2015

	Interim 2016
Dividend per share (in Australian cents)	**14.5**
Cost (in US$ million)	**162.3**
Payment date	**14 April 2016**
Dividend record date	**11 March 2016**

As this dividend had not been declared at 31 December 2015, it is not reflected in these financial statements.

Note 8. Issued and Quoted Securities

	Share rights	Ordinary securities	
	Number	Number	US$M
At 1 July 2015	**8,010,162**	**1,566,965,534**	**6,027.4**
Issued during the period	**3,492,352**	**11,912,414**	**81.1**
Exercised during the period	**(1,816,530)**	**-**	**-**
Lapsed during the period	**(728,731)**	**-**	**-**
At 31 December 2015	**8,957,253**	**1,578,877,948**	**6,108.5**

Note 9. Business Combinations

A) IFCO Japan

On 18 August 2015, Brambles acquired the remaining two thirds of IFCO Japan in a transaction valuing IFCO Japan at ¥4.84 billion (US$38.9 million) and cash consideration of US$17.4 million. A provisional goodwill of US$21.5 million has been recognised for this acquisition. A gain of US$5.0 million has been recognised in the income statement in relation to the remeasurement of the existing interest in IFCO Japan to fair value (refer Note 5).

B) Other

In addition to the above acquisition, there were other minor acquisitions during the period with immaterial impact.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2015 - continued

Note 10. Net Assets Per Share

	First half 2016 US cents	First half 2015 US cents
Based on 1,578.9 million shares (First half 2015: 1,566.1 million shares):		
- Net tangible assets per share	**63.7**	53.5
- Net assets per share	**172.7**	167.1

Net tangible assets 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 period end.

Net assets per share is calculated by dividing total equity attributable to the members of the parent entity by the number of shares on issue at period end.

Note 11. Contingent Liabilities

There have been no material changes to contingent liabilities as set out in Brambles' 2015 Annual Report.

Note 12. Events After Balance Sheet Date

Except as outlined in the Directors' Report or elsewhere in these consolidated financial statements, there have been no other events that have occurred subsequent to 31 December 2015 and up to the date of this report that have had a material impact on Brambles' financial performance or position.

Brambles

Directors' Declaration

In the opinion of the Directors of Brambles Limited:

(a) the financial statements and notes set out on pages 3 to 15 are in accordance with the Australian Corporations Act 2001, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated financial position of Brambles Limited as at 31 December 2015 and of its performance for the half-year ended on that date;

(b) there are reasonable grounds to believe that Brambles Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

S P Johns
Chairman

T J Gorman
Chief Executive Officer

22 February 2016

Independent auditor's review report to the members of Brambles Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Brambles Limited (the Company), which comprises the consolidated balance sheet as at 31 December 2015, the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, selected explanatory notes and the Directors' declaration for Brambles (the consolidated entity). The consolidated entity comprises the company and the entities it controlled from time to time during the half-year.

Directors' responsibility for the half-year financial report

The Directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Brambles Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

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Conclusion
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Brambles Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date;

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

Paul Bendall
Partner

Sydney
22 February 2016

Susan Horlin
Partner

Sydney
22 February 2016

Directors' Report

The Directors present the interim results of the consolidated entity consisting of Brambles Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2015 (Brambles).

Names of Directors

The Directors of Brambles Limited in office during the half-year and up to the date of this report are as follows:

S P Johns (Independent Non-executive Chairman)

T J Gorman (Executive Director, CEO)

C Cross (Independent Non-executive Director)

A G Froggatt (Independent Non-executive Director)

D P Gosnell (Independent Non-executive Director)

T Hassan (Independent Non-executive Director)

S C H Kay (Independent Non-executive Director)

B J Long (Independent Non-executive Director)

S R Perkins (Independent Non-executive Director)

G Zoghbi (Independent Non-executive Director) (appointed 1 January 2016)

Review and Results of Operations

The principal activities of Brambles during the six months ending 31 December 2015 (1H16) were the provision of supply-chain logistics services, focusing on the provision of reusable pallets, crates and consumers, of which Brambles is a leading global provider. Brambles' supply-chain logistics services comprised three operating business segments: Pallets, RPCs and Containers.

Some of the results referred to in this report are expressed on a "constant currency" basis. This means that they are presented by translating both current and comparable period 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. All other figures are presented on an "actual" basis, which means the results are translated into US dollars at the applicable actual monthly exchange rates for each period.

During the six months ended 31 December 2015, Brambles' results reflected particular strength in the US dollar relative to the Group's other currencies of operation (which represented 60% of sales revenue and consisted most significantly of the euro, British pound, Australian dollar and Canadian dollar).

Sales revenue was US$2,752.2 million, down 2%. At constant currency, sales revenue was up 8%, in line with the longer-term objective for average annual growth in the "high single digits". Constant-currency growth in 1H16 was driven by: strong new business wins, solid like-for-like volume growth and modest pricing gains in the Pallets segment, as well as strong conversions with existing and new retail partners in the European region of the RPCs segment.

Acquisitions since 1 July 2014 (including an additional two months of contribution from Ferguson Group, which was acquired in September 2014) contributed 1% constant-currency sales revenue growth.

Operating profit for continuing operations was US$462.7 million, down 1% (up 12% at constant currency). Profit after tax for continuing operations was US$290.9 million, up 2% (up 14% at constant currency), reflecting decreases in net finance costs and tax expense.

Underlying Profit was US$473.8 million, down 2%. At constant currency, Underlying Profit was up 10% primarily reflecting: sales growth; positive sales mix and direct cost efficiencies in the pallet-pooling operations worldwide; and indirect cost efficiencies under the One Better program. These drivers more than offset the impact of increased depreciation from growth investment and cost inflation. Acquisitions since 1 July 2014 contributed negligibly to Underlying Profit growth, as the positive contribution from Rentapack and IFCO Japan was insufficient to offset the impact on Ferguson of the deterioration in oil and gas sector conditions.

The difference between Underlying Profit of US$473.8 million and operating profit of US$462.7 million is Significant Items, which were US$(11.1) million, a reduction of US$8 million, reflecting a reduction in acquisition costs and a gain recognised on the purchase of IFCO Japan. Significant Items of US$(6.2) million were recognised in the Corporate segment, primarily in relation to the One Better program. As a result of the decrease in Significant Items, the constant-currency increase in operating profit of 12% was greater than the increase in Underlying Profit of 10%.

Net finance costs were US$54.5 million, down 8%, primarily reflecting the impact of the stronger US dollar on euro-denominated borrowings. The modest constant-currency increase in net finance costs of 1% reflected a relatively moderate increase in average net debt.

Tax expense was US$117.3 million, down 3%. The greater reduction in tax expense than in operating profit reflected changes in regional profit mix (and related currency translation impacts) as well as reduced net tax expense on Significant Items. The effective tax rate was 29%, consistent with the Group's forecast for FY16.

Underlying Profit after tax was US$296.3 million, down 2%, (up 10% at constant currency).

Pallets

The Pallets business, carried out under the name CHEP, focusses on the outsourced management of returnable pallets, which it issues, collects and reissues through a network of service centres in multiple countries. It has three segments: Pallets Americas, Pallets EMEA and Pallets Asia-Pacific.

Sales revenue in Pallets Americas was US$1,210.6 million, up 3%. Constant-currency growth was 7%, reflecting strong net new business wins in all key regions of the pallet-pooling business as well as solid like-for-like volume growth and improved pricing conditions. Operating profit was US$196.1 million, up 6% (up 14% at constant currency). Underlying Profit was US$203.5 million, up 7% (up 14% at constant currency, reflecting: sales growth, sales mix benefits, network and scale efficiencies related to new business growth and targeted direct cost efficiency programs. These factors more than offset the impact of increased depreciation, which was in line with growth investment; transport inflation pressures, which moderated relative to FY15 but were still present; and minor increases in total plant costs. Significant Items of US$(7.4) million primarily related to the One Better business improvement program and the US rollout of the CHEP Pallets brand refresh program.

Directors' Report - continued

Sales revenue in Pallets EMEA was US$677.1 million, down 7%. At constant currency, growth was 6%, reflecting: robust like-for-like volume growth; continued net new business wins and the acquisition of the Braecroft milling and pallet manufacturing business in South Africa. Operating profit was US$175.6 million, down 4% (up 10% at constant currency). Underlying Profit was US$175.8 million, down 4%. At constant currency, Underlying Profit was up 10%, reflecting sales growth, sales mix benefits and the delivery of direct cost efficiencies sufficient to offset the impact of higher depreciation. Significant Items were US$(0.2) million.

Sales revenue in Pallets Asia-Pacific was US$158.3 million, down 13%. At constant currency, sales revenue was up 5%, comprising: 4% like-for-like volume growth, driven primarily by wooden and plastic pallet growth with key customers in Australia and strong growth in the wooden pallet business in China; modest pricing increases in Australia; and modest market-share expansion throughout Asia. Operating profit was US$32.1 million, down 9% (up 11% at constant currency). Underlying Profit was US$32.2 million, down 10%. At constant currency, Underlying Profit was up 9% reflecting sales growth, pricing and sales mix benefits and the delivery of efficiencies, which offset direct cost increases. Significant Items were US$(0.1) million.

RPCs

The RPC business, carried out under the name IFCO in Europe, North and South America and CHEP in Australia, New Zealand and South Africa, focusses on the outsourced management of reusable plastic containers globally, which are used primarily to transport fresh produce from producers to grocery retailers.

Sales revenue in RPCs was US$482.1 million, up 2%. Constant-currency sales revenue was up 15%, primarily reflecting the continued expansion of RPC programs with existing retail partners, as well as growth with new retail partners in Europe. In addition, like-for-like volume growth was solid and there were modest pricing gains in all major markets. The acquisitions of Rentapack (Chile) and IFCO Japan contributed 4% constant-currency growth.

Operating profit was U$62.5 million, down 7% (up 9% at constant currency). Underlying Profit was US$58.3 million, down 13%. At constant currency, Underlying Profit was up 2%. Strong sales revenue growth elsewhere was impacted: in North America, by short-term network inefficiencies created by the loss of volumes with Safeway and expansion with other retailers, as well as other transport cost increases; and, in Europe, by higher depreciation in line with growth investment. Significant Items of US$4.2 million primarily reflected a fair value gain recognised on the acquisition of 100% of IFCO Japan.

Containers

The Containers business provides intermediate bulk, automotive and chemical and catalyst containers to its customers and standardised containers to the offshore oil and gas sector. It also operates an airline container pooling and repair business and a non-flight critical aviation equipment maintenance and repair business called CHEP Aerospace.

Sales revenue in Containers was US$224.1 million, down 4%. At constant currency, sales revenue was up 7%, reflecting growth in the Intermediate Bulk Containers, Automotive, Aerospace and Catalyst & Chemical businesses, plus an additional two-month contribution from Ferguson (acquired in September 2014), offsetting a decline in Ferguson's like-for-like sales.

Automotive sales revenue was US$68.8 million, down 7%. At constant currency, sales revenue was up 5% as strong new business growth in the Americas and Europe more than offset the impact of a decline in Asia-Pacific driven by customers' reduction of Australian manufacturing operations.

Intermediate Bulk Containers sales revenue was US$62.8 million, down 5%. At constant currency, sales revenue was up 9%, reflecting strong growth from market-share gains in both the Pallecon (liquid goods) and Transpac (dry goods) businesses in Europe and Pallecon in North America.

Oil & Gas sales revenue was US$52.8 million, down 1%. At constant currency, sales revenue was up 10%, reflecting the additional two months' Ferguson ownership and increased customer maintenance activity at refineries in the Catalyst & Chemical business. There was a 38% decline (32% decline at constant-currency) in Ferguson's like-for-like sales revenue in line with the reduction in expenditures by customers in the offshore oil and gas sector following the recent heavy fall in oil prices.

Aerospace sales revenue was US$39.7 million, up 1%. At constant currency, sales revenue was up 7%, primarily reflecting the rollout of the Cathay Pacific pooling contract.

Operating profit of US$19.7 million was down 35% (down 24% in constant currency). Underlying Profit was US$21.1 million, down 31% (down 20% at constant currency), as sales revenue growth was insufficient to offset short-term margin pressures reflecting industry trends in Ferguson, as well as minor cost increases elsewhere. Significant Items of US$(1.4) million related to Ferguson integration costs.

Auditor's Independence Declaration

The auditor's independence declaration, as required under Section 307C of the Corporations Act 2001, is set out on page 21 and forms part of this report.

This report is made in accordance with a resolution of the Directors.

S P Johns

Chairman

T J Gorman

Chief Executive Officer

22 February 2016

Auditor's Independence Declaration

As lead auditor for the review of Brambles Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Brambles Limited and the entities it controlled during the period.

Paul Bendall
Partner
PricewaterhouseCoopers

Sydney
22 February 2016

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