

Brambles

2009 Interim Results

16 February 2009



2009 Interim Results

Mike Ihlein

Chief Executive Officer

Delivering revenue growth despite challenging conditions

- Sales revenue up 4% despite challenging conditions
- Underlying profit in line with prior year and margins of 23%
- Winning new business – sales pipeline strong
- Solid operating cash flow continues
- Demonstrates strength of the CHEP and Recall business models
- Maintaining prudent financial position – strong cash emphasis
- Dividend 17.5 Australian cents, up 3% – DRP introduced

1H09 Overview

- Sales up 4% to US\$2.073 billion
- Underlying profit in line with last year US\$469.3 million
- Earnings per share down 6% (actual fx rates) to 19.5 US cents
- Cash flow from operations US\$220.8 million
- Significant items before tax of US\$131.7 million
- Statutory operating profit of US\$337.6 million

Growth % calculated on US\$ constant currency basis

New business delivering revenue growth

- Revenue growth in all regions of CHEP and Recall
 - CHEP Americas +4%
 - CHEP EMEA +3%
 - CHEP Asia-Pacific +1%
 - Recall +4%
- New business being won in all markets
- Price/mix offsetting declines in core volume in USA/Europe
- Success in key targets of USA beverages/food service and expansion in Poland
- Automotive sector weak
 - 4% of total business
 - impacts Europe/Australia/South Africa
- Walmart logistics transition in USA on track

Growth % calculated on US\$ constant currency basis

Major initiatives to underpin future performance

- Not immune from dramatic economic slowdown
- Focus on discretionary costs and capital expenditure
- Taking actions now to underpin future performance
- Three major initiatives
 - Accelerated scrapping of 7 million excess pallets in CHEP USA
 - Increase investment in CHEP USA 2 year pallet quality program
 - Rationalise facilities/operations – reduce personnel 750 (approx)
- Improve future cost structure and meet customers' requirements

Major initiatives to underpin future performance

- Accelerated scrapping of 7 million excess pallets in USA
 - Excess due to rapid and deep economic downturn
 - US\$99 million charge (before tax) in 1H09 (non-cash US\$37 million)
 - Assumes lumber recovery for future repairs
 - Avoid significantly higher operating costs over next few years

Major initiatives to underpin future performance

- Increase investment in CHEP USA 2 year pallet quality program by US\$60m to US\$160m
- Positive customer response
 - US\$25m in 2H08 (US\$21m opex)
 - US\$38m in 1H09 (US\$35m opex)
 - US\$62m in 2H09 (US\$40m opex)
 - US\$35m in 1H10 (opex) (program end)
 - Major review in USA – range of customer service offerings, pallet platforms, pallet quality, service centre network, etc

Major initiatives to underpin future performance

- Rationalisation of facilities and operations across the Group
 - Personnel reduction of 750 (approx) over next 12 months
 - One-off cost of US\$60 - 70 million (before tax) – mainly FY09
 - Annualised savings US\$40 - 50 million
- Improve future cost structure but still support the business

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Liz Doherty
Chief Financial Officer

Underlying and Statutory operating profit

\$USm Actual rates AIFRS	1H09	1H08
Underlying profit	469.3	497.3
Items outside the ordinary course of business:		
Foreign exchange gain on capital repatriation	29.9	-
Restructuring costs	(106.9)	(6.6)
Items within ordinary activities, but unusual due to size and nature:		
Walmart net transition impact	(20.2)	-
USA pallet quality program costs	(34.5)	-
Statutory operating profit	337.6	490.7

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AIFRS	Actual	Constant		Growth %
	1H09 US\$m	1H09 US\$m	1H08 US\$m	
Continuing operations				
Sales revenue	2,073.2	2,185.8	2,110.2	4
Underlying profit	469.3	496.2	497.3	0
PBT	405.6	428.0	426.4	0
PAT	270.5	285.4	293.8	(3)
EPS (cents)	19.5	20.6	20.7	0
Cash flow from operations	220.8		265.7	US\$(45)m

Growth % calculated on US\$ constant currency basis

Sales revenue

AIFRS	Actual	Constant		Growth %
	1H09 US\$m	1H09 US\$m	1H08 US\$m	
CHEP Americas	792.5	810.4	776.4	4
CHEP EMEA	761.0	815.1	790.8	3
CHEP Asia-Pacific	166.6	188.0	185.3	1
CHEP	1,720.1	1,813.5	1,752.5	3
Recall	353.1	372.3	357.7	4
Total sales revenue	2,073.2	2,185.8	2,110.2	4

Growth % calculated on US\$ constant currency basis

Underlying profit

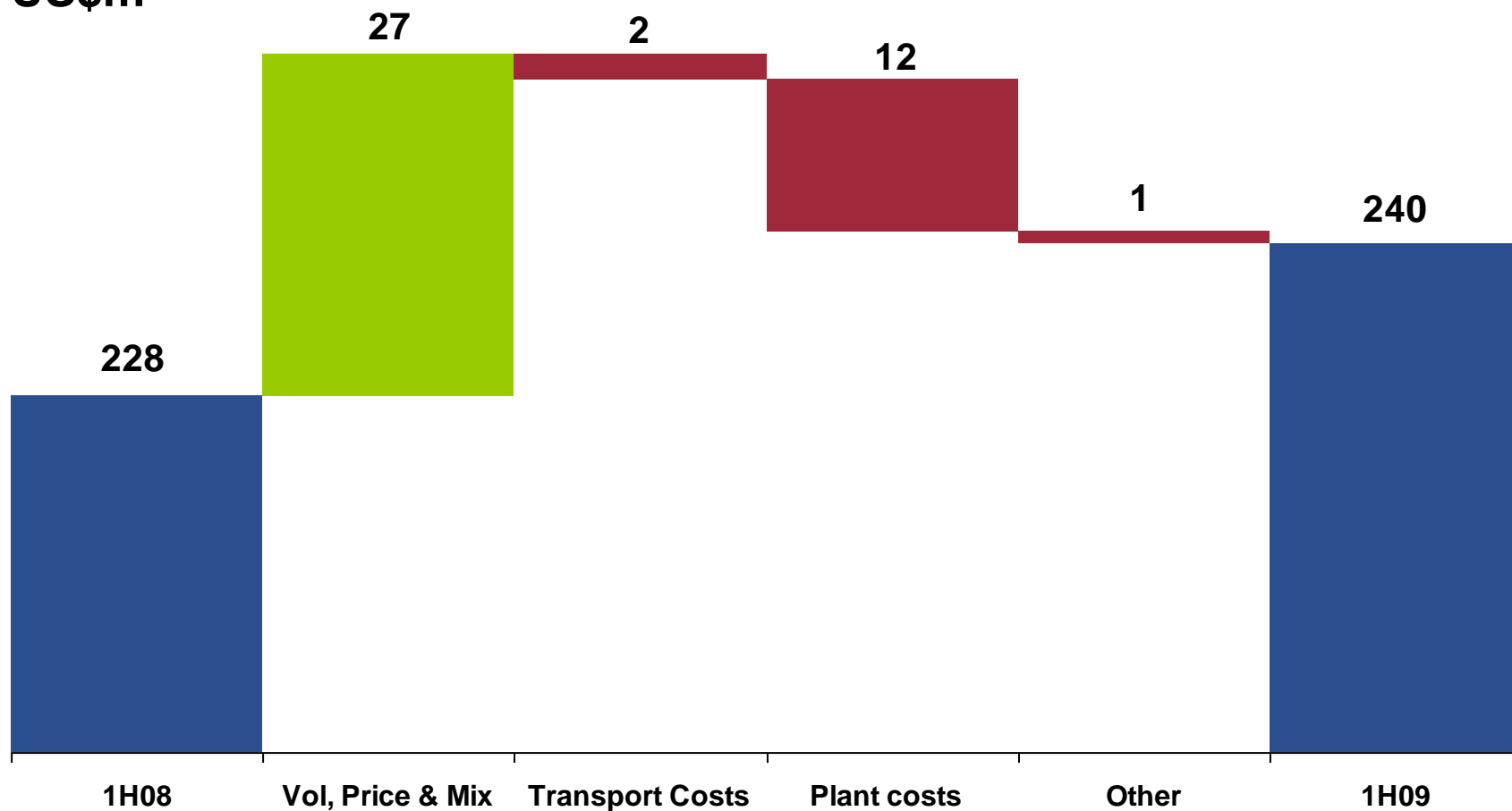
AIFRS	Actual	Constant		
	1H09 US\$m	1H09 US\$m	1H08 US\$m	Growth %
CHEP Americas	233.3	240.0	227.7	5
CHEP EMEA	170.9	183.4	189.8	(3)
CHEP Asia-Pacific	28.9	34.1	45.6	(25)
CHEP	433.1	457.5	463.1	(1)
Recall	50.5	53.8	52.2	3
Unallocated Brambles HQ costs	(14.3)	(15.1)	(18.0)	16
Underlying profit	469.3	496.2	497.3	0

Growth % calculated on US\$ constant currency basis

CHEP Americas – Underlying profit



US\$m

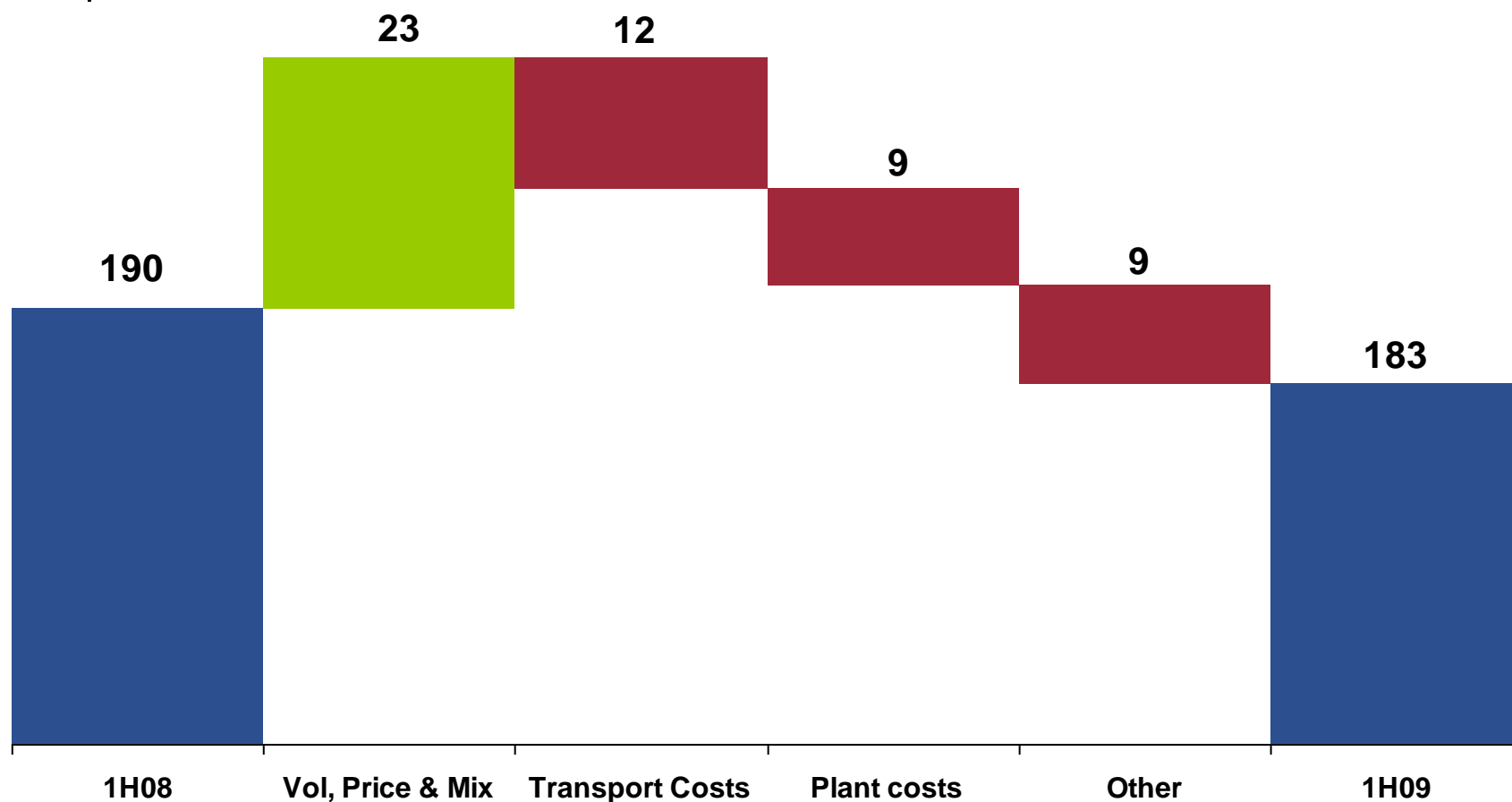


All numbers are calculated at constant currency

CHEP EMEA – Underlying profit



US\$m

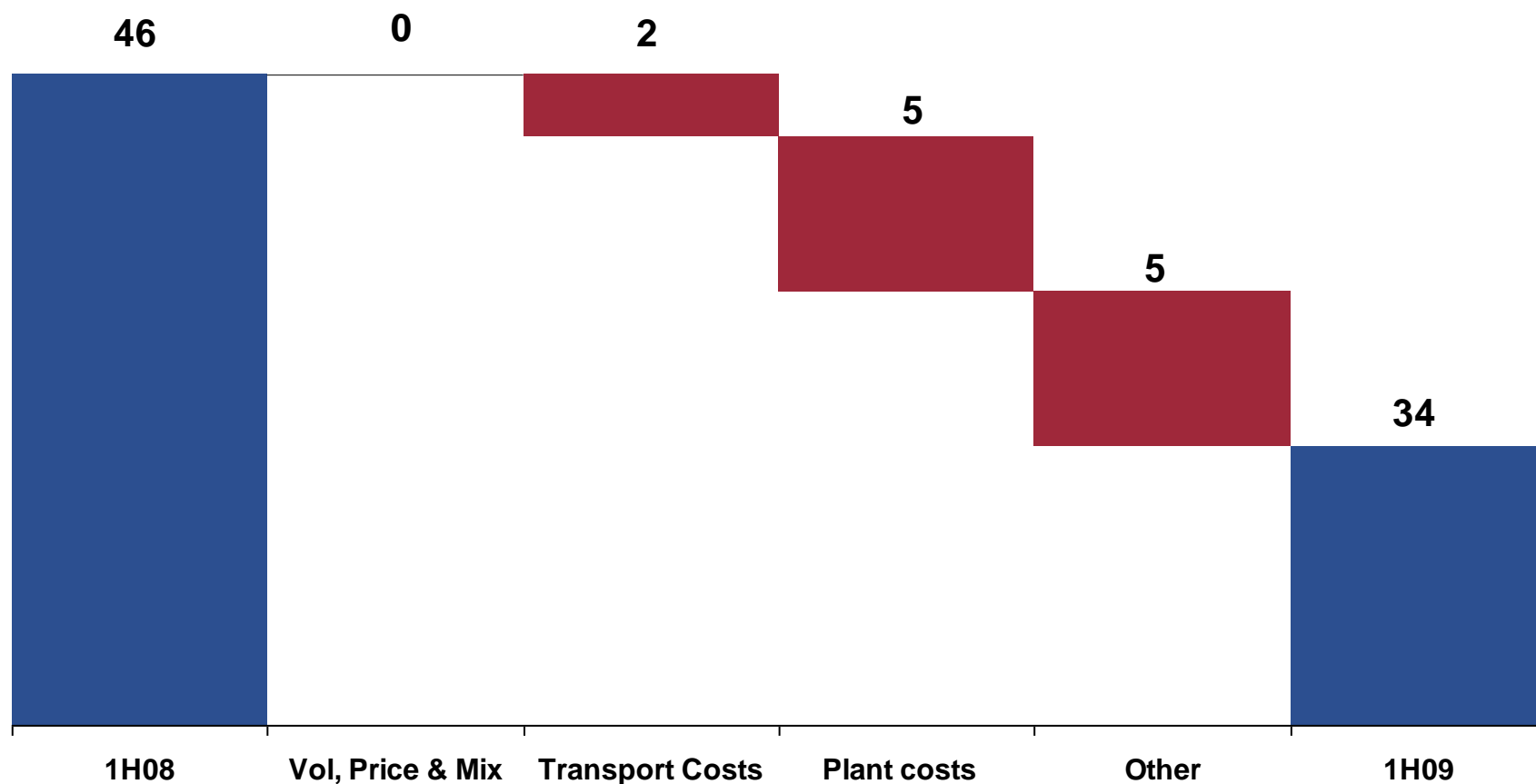


All numbers are calculated at constant currency

CHEP Asia-Pacific – Underlying profit



US\$m



All numbers are calculated at constant currency

AIFRS	Actual	Constant		
	1H09 US\$m	1H09 US\$m	1H08 US\$m	Growth %
Americas	161.2	164.6	162.3	1
Europe	96.8	101.8	93.3	9 *
RoW	95.1	105.9	102.1	4
Sales revenue	353.1	372.3	357.7	4
Underlying profit	50.5	53.8	52.2	3
Profit margin (%)	14	14	15	

* Recall Europe 1H09 sales revenue includes GADSA which was a joint venture until April 2008

Growth % calculated on US\$ constant currency basis

Significant items

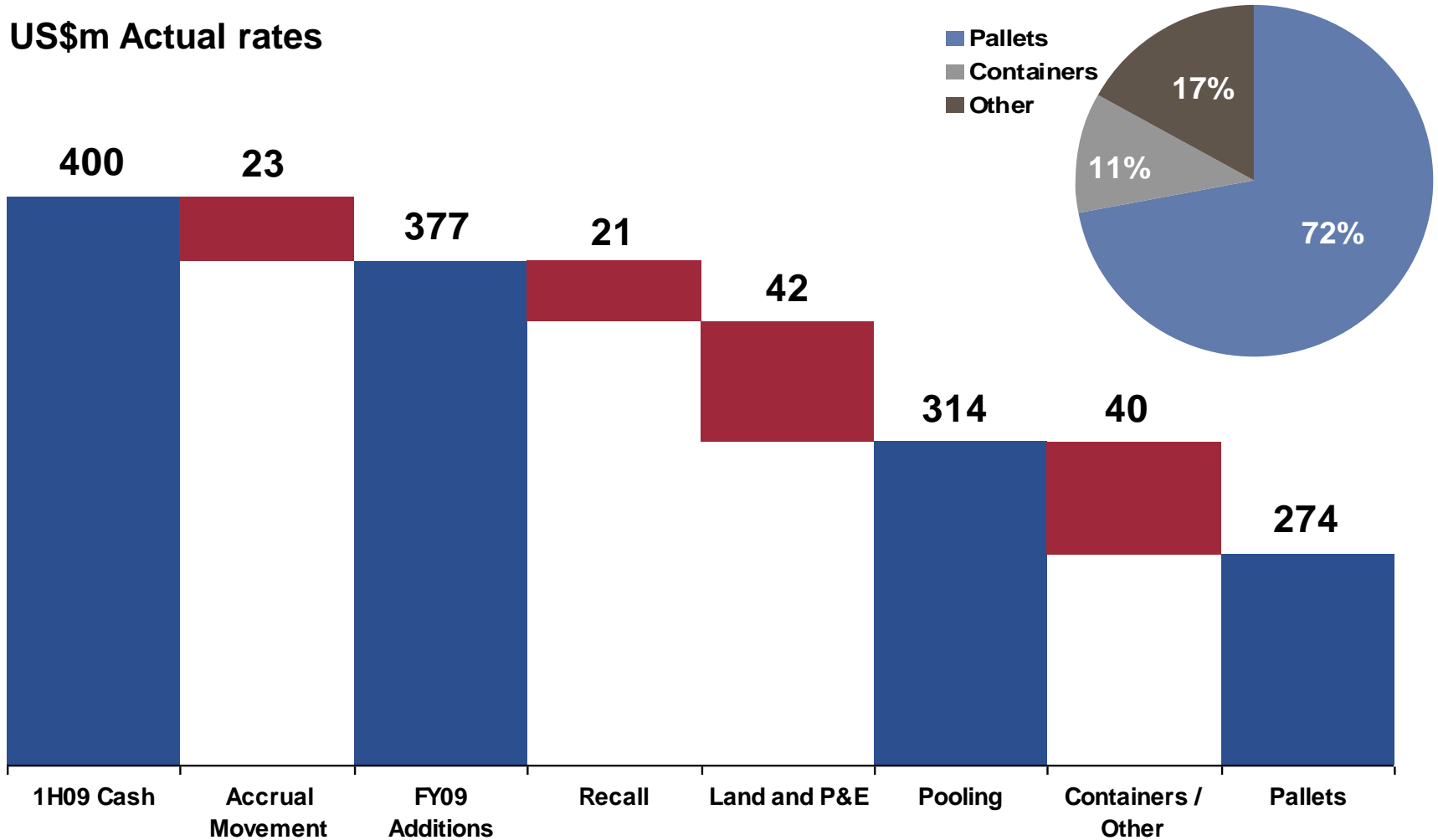
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Solid cash flow

AIFRS \$USm Actual rates	1H09	1H08	Change
Underlying profit	469.3	497.3	(28.0)
Significant items within ordinary activities	(54.7)	-	(54.7)
Depreciation and amortisation	212.8	222.6	(9.8)
EBITDA	627.4	719.9	(92.5)
Capital expenditure	(400.1)	(451.8)	51.7
Proceeds from disposals	41.2	65.1	(23.9)
Working capital movement	(65.5)	(75.0)	9.5
Irrecoverable pooling equipment provision	36.5	44.7	(8.2)
Provisions / Other	(18.7)	(37.2)	18.5
Cash flow from continuing operations	220.8	265.7	(44.9)
Significant items outside ordinary activities	(21.7)	(16.2)	(5.5)
Cash flow from operations after Significant items	199.1	249.5	(50.4)
Financing costs and tax	(126.5)	(146.9)	20.4
Free cash flow	72.6	102.6	(30.0)

Capital expenditure by category

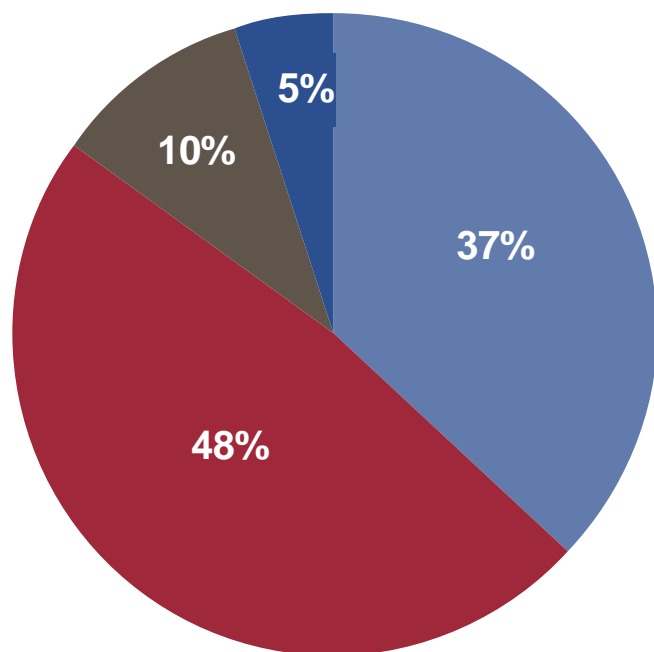
US\$m Actual rates



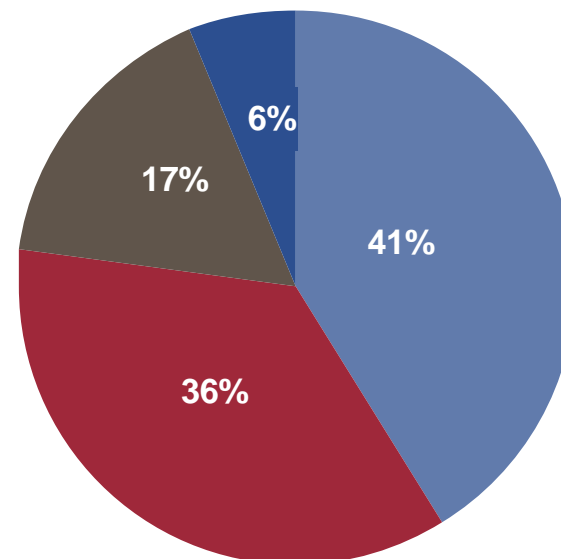
Capital expenditure by business

US\$m Actual rates

1H08 \$433m



1H09 \$377m



■ CHEP Americas ■ CHEP EMEA ■ CHEP Asia-Pacific ■ Recall

Effective tax rate

AIFRS	Actual 1H09 US\$m	Actual 1H08 US\$m
Underlying PBT	405.6	426.4
Tax	135.1	132.6
Underlying effective tax rate % of PBT	33.3%	31.1%
Adjustment for non-recurring items	-	1.9%
Adjusted effective tax rate	33.3%	33.0%
Significant items	(4.6%)	(2.5%)
Statutory tax rate	28.7%	30.5%

Financial ratios

AIFRS, Actual rates	Dec 08	Jun 08
Closing Net Debt (US\$m)	2,357.0	2,426.2
Gearing (%)	65.3	61.1
(Net Debt/Net Debt & Equity)		

AIFRS, Actual rates	1H09	1H08	Covenants
EBITDA* / Net finance costs (x)	9.8	10.2	x 3.5 (min)
Net Debt / EBITDA* (x)	1.9	1.5	x 3.5 (max)

* EBITDA is Underlying profit excluding depreciation and amortisation, plus Significant items that are within ordinary activities

Credit facilities and liquidity

- US\$3.3bn of committed credit facilities with an average term to maturity of approximately 3 years
- Undrawn committed credit facilities of US\$0.9bn plus cash of US\$0.1bn
- US\$1.0bn refinanced in last 6 months
- US\$1.5bn of bank facilities due for renewal by November 2010
 - to be addressed as part of ongoing refinancing
- Dividend reinvestment plan to be offered for FY09 interim dividend
 - 2.5% discount
 - not underwritten
- On-market buy-back programme continues to be suspended

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Mike Ihlein

Chief Executive Officer

Outlook

- Grew revenues despite challenging environment
- Sharp deterioration in trading conditions since AGM
- Volatile environment to remain for some time
- Difficult to provide outlook guidance with confidence
- New business wins and major initiatives to underpin future performance
- Balance sheet in good shape
- Continue to review all aspects of business to maintain profitability, maximise cash flow
- Prepared to respond to changes in conditions

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