

# Brambles

## Investor Information Pack

February 2010



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# COMPANY PROFILE

- Leading global provider of supply chain and information management solutions
- Group's businesses CHEP and Recall
- Operates in 48 countries
- Over 12,000 employees
- Primary listing on the Australian Securities Exchange and a secondary listing on the London Stock Exchange
- Market capitalisation A\$9.9 billion as at 16 February 2010
- Ranked #26 on the Australian Securities Exchange
- Total assets of US\$5.2 billion as at 31 December 2009

# TWO BUSINESSES

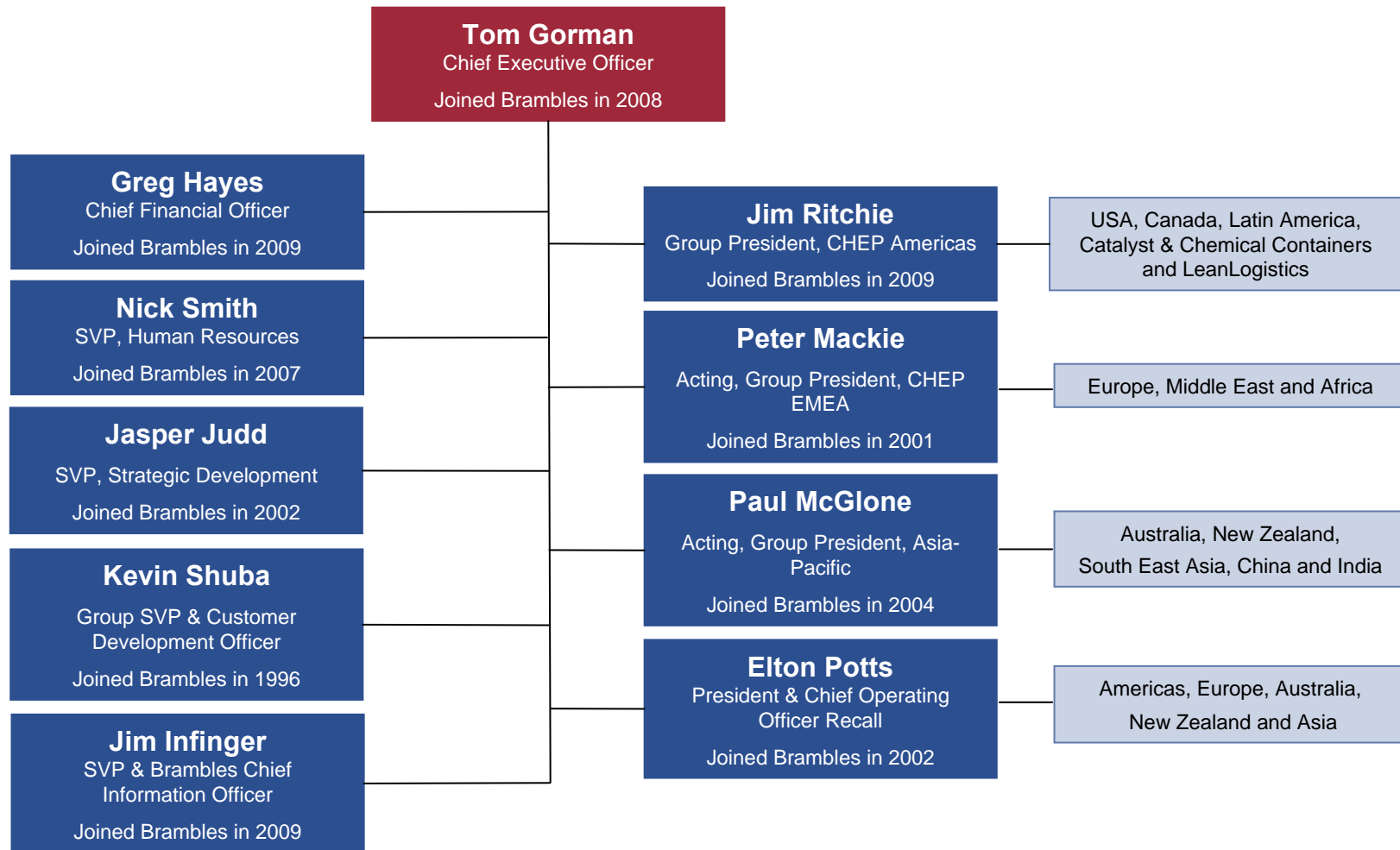


- CHEP is the leader in pallet and container pooling services
- Partners with customers to develop pooling solutions that ensure reduced product damage, offer enhanced delivery efficiencies, eliminate waste and cut supply chain costs
- Customers primarily in FMCG, produce, meat, beverages, raw materials, home improvement and automotive industries
- Handling the world's most important products. Everyday.



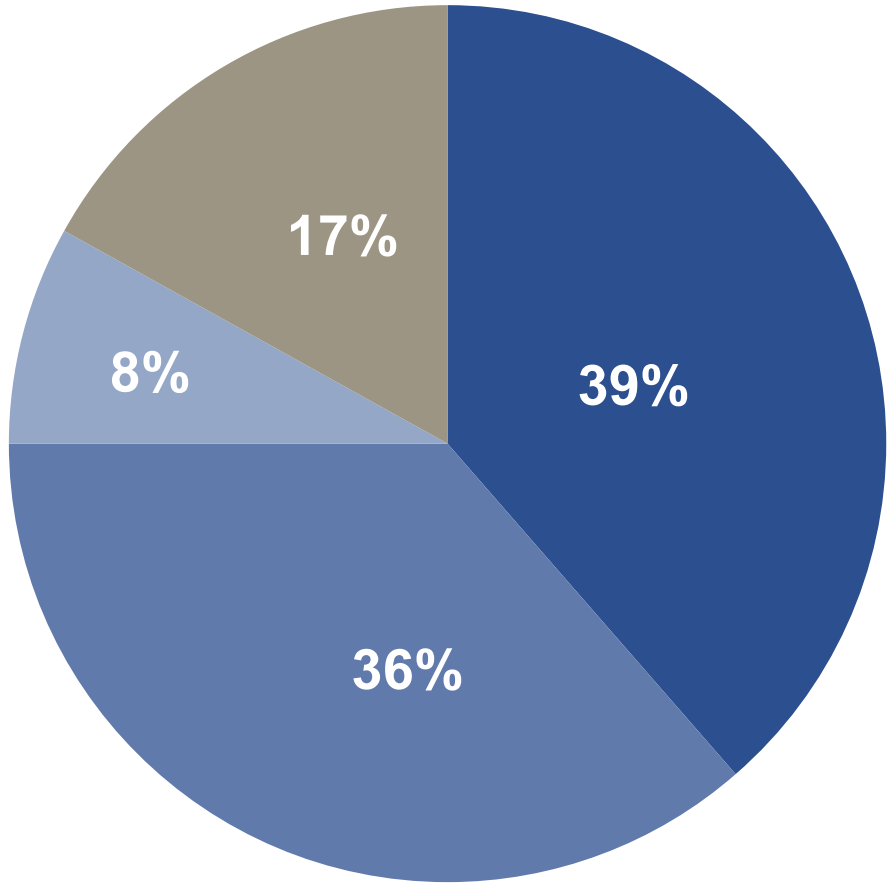
- Recall is a leader in the management of information throughout its life cycle
- One stop, end to end, information management solution
- Provides secure storage, retrieval and destruction of digital and physical information
- Focus on transaction intensive market segment such as banking and finance, insurance, legal, health care, retailing and government

# EXECUTIVE LEADERSHIP TEAM



# 2009 SALES REVENUE – BY BUSINESS UNIT

Business	Sales (US\$M)
CHEP	3,333
Recall	686
<b>TOTAL</b>	<b>4,019</b>



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

\*all numbers are at actual exchange rates

# 2009 SALES REVENUE – BY SERVICE

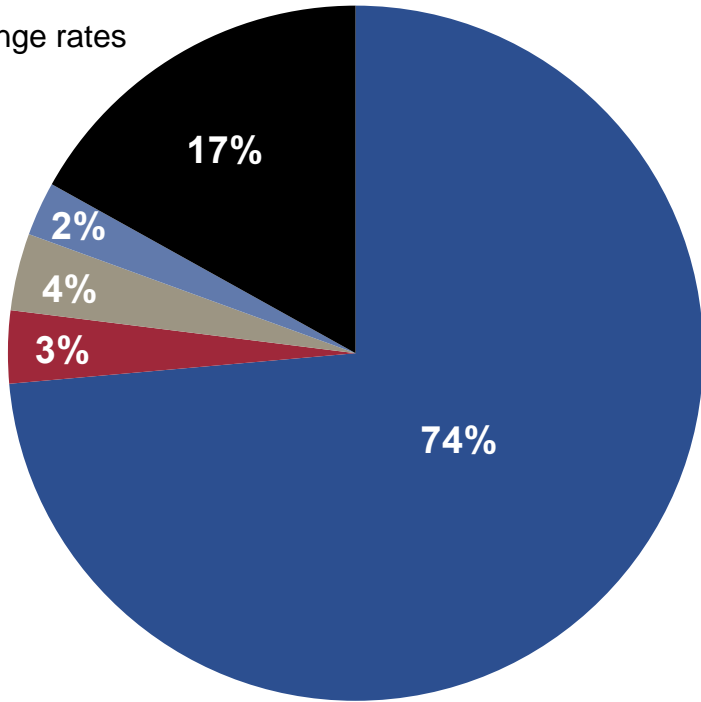
\*all numbers are at actual exchange rates

## Recall

Revenue US\$686M  
Cartons 88M

## Intermediate Bulk Containers (IBC) & Catalyst and Chemical Containers (CCC)

Revenue US\$93M  
Containers 1M



## Pallet Pooling

Revenue US\$2,957M  
Pallets 251M



## Reusable Plastic Containers (RPC)

Revenue US\$151M  
Containers 49M



## Automotive Containers

Revenue US\$132M  
Containers 11M







Company  
overview

**CHEP**

Recall

FY09 Results

Appendix

**Brambles**

# PRODUCTS – NOT JUST PALLETS



Pallets	Intermediate Bulk Containers	Reusable Plastic Containers	Automotive Containers
			
			
			
			

# CUSTOMER VALUE PROPOSITION



**Consistent quality pallets and containers**

**Availability**

**Reduced product damage**

**Eliminate pallet purchases, exchange and repair**

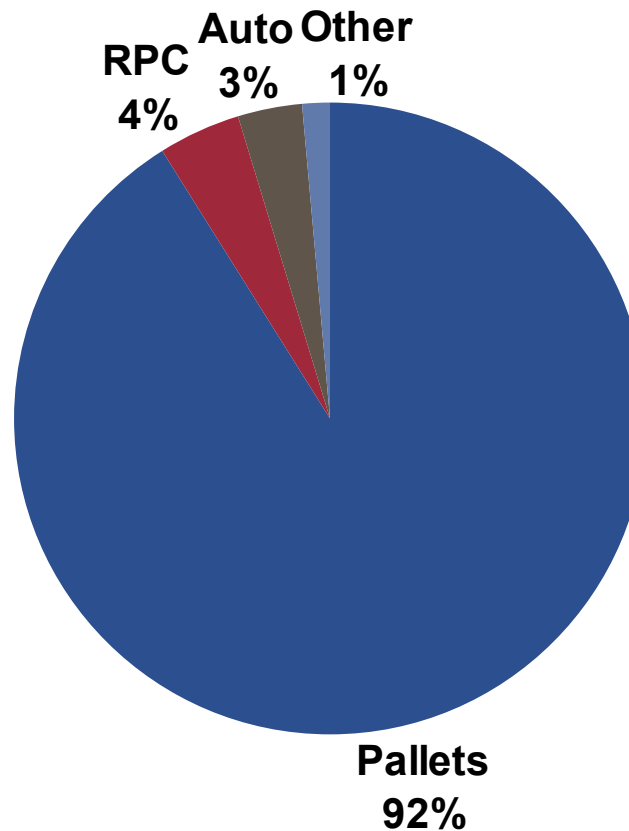
**Reduced transportation and handling**

**Competitive pricing**

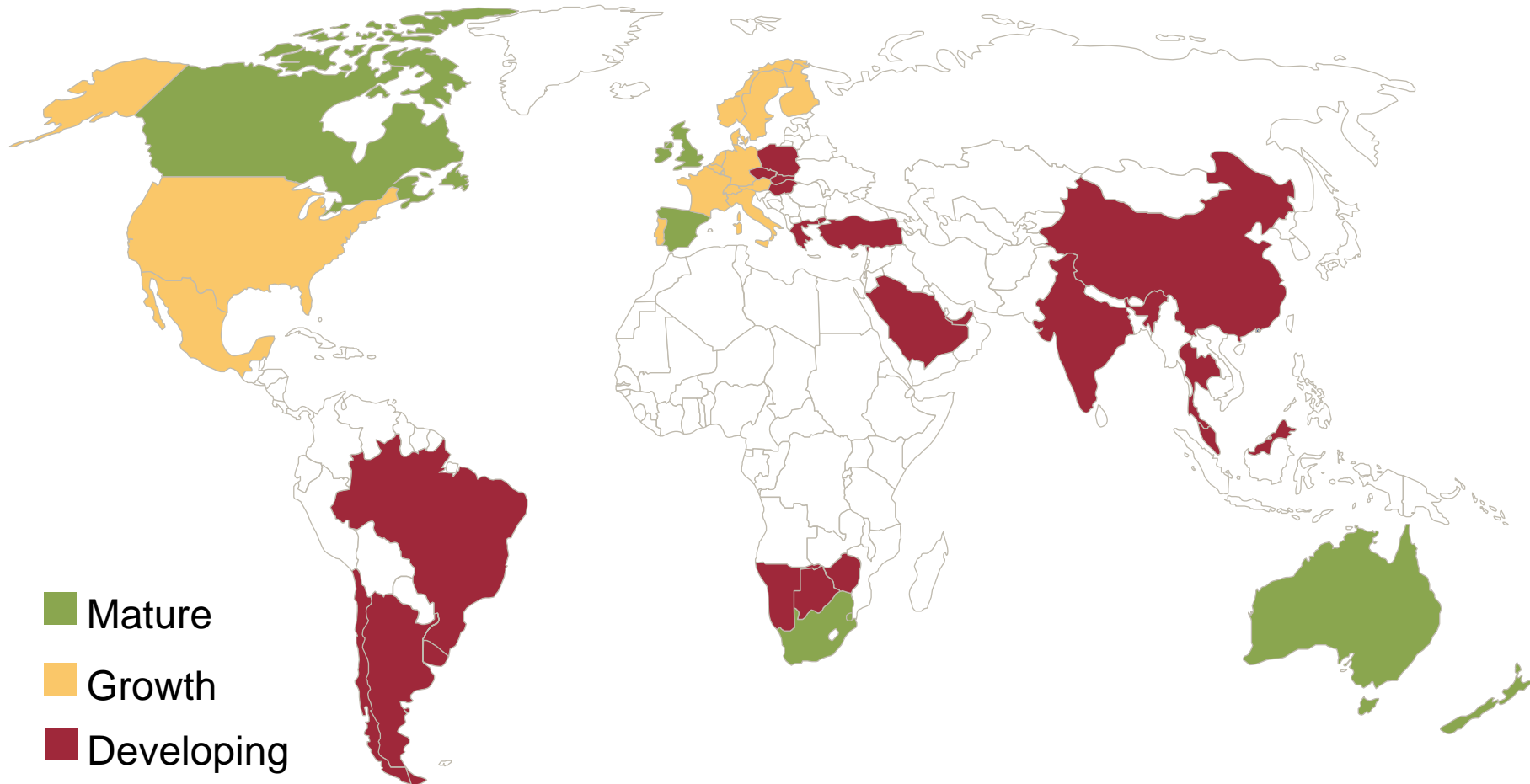
**Improved employee and customer safety**

**Environmental sustainability**

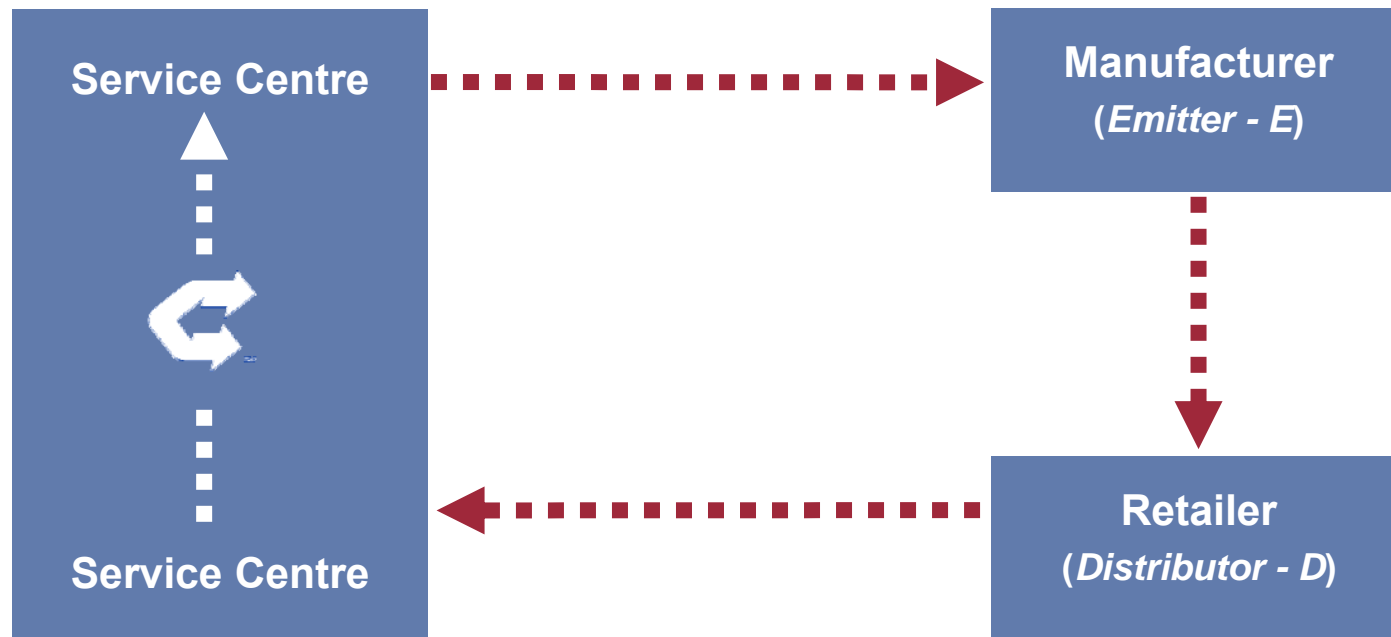
## Pooling Equipment Book Value @ 30 June 2009 = US\$2.9BN



# GROWTH OPPORTUNITIES



# HOW PALLET POOLING WORKS



Service Centre	Manufacturer / Emitter	Retailer / Distributor	Service Centre
1. CHEP issues ready-for-use pallets to manufacturers and growers for use and movement through the supply chain.	2. Upon receipt of CHEP equipment, manufacturers and growers load their products and ship them through the supply chain using a CHEP pallet.	3. At the end of the supply chain, the receiving retailer or distributor off-loads the goods and returns the CHEP pallets empty to the nearest CHEP service centre or TPM location or CHEP arranges collections.	4. CHEP inspects and repairs all returned pallets, if necessary, to ensure they meet our quality standards. These pallets are then made ready-for-use and the cycle starts again.



# ABC GLOSSARY



- A = stock awaiting inspection
- B = stock awaiting repairing
- C = stock repaired
- D = distributor e.g. retailer
- E = emitter e.g. manufacturer
- F = factory – pallet manufacturer
- r = all 'returned' flows
- s = all 'sent' flows
- t = pallet transfers
- u = all flows going out from one plant to another plant
- v = all flows coming into a plant from another plant
- w = equipment found and returned
- x = equipment scrapped at plants
- y = new equipment from supplier
- z = equipment lost and officially written off

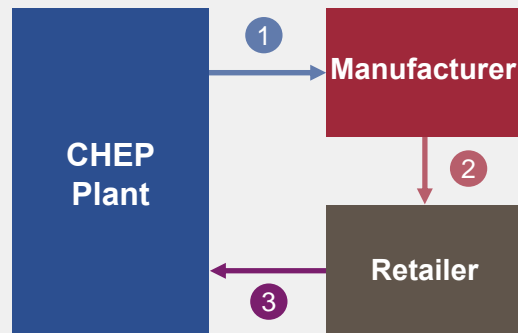


# PALLET POOLING MODEL PHYSICAL FLOWS



## One Way Trip

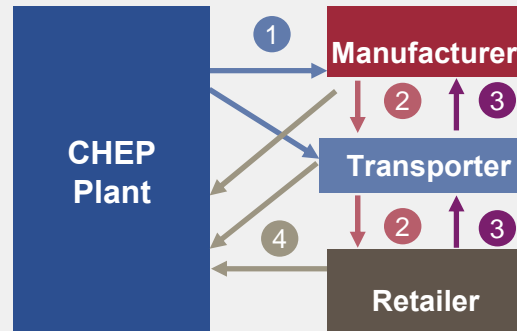
(e.g. USA)



- 1 Pallet issued and delivered by CHEP to manufacturer
- 2 Goods shipped on pallet
- 3 Pallets returned from retailer to the plant for inspection and repair if necessary

## Exchange

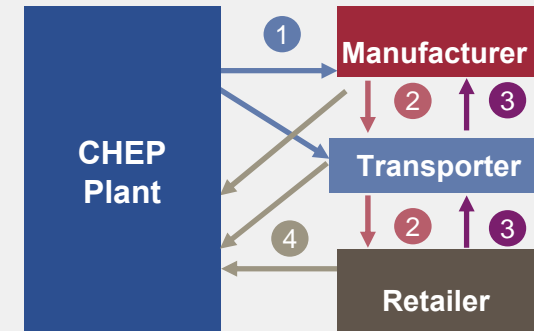
(e.g. UK)



- 1 Pallet issued by CHEP to manufacturer or intermediary
- 2 Goods shipped on pallet
- 3 Pallet under load exchanged for an empty pallet at point of delivery
- 4 Surplus or damaged pallets returned to the plant for inspection and repair if necessary

## Transfer Hire

(e.g. Australia)



- 1 Pallet issued by CHEP to manufacturer or intermediary
- 2 Goods shipped on pallet
- 3 Pallet transferred between accounts of manufacturers, retailers & transporters as goods are delivered and empty pallets are transferred for re-use
- 4 Surplus or damaged pallets returned to the plant for inspection and repair if necessary

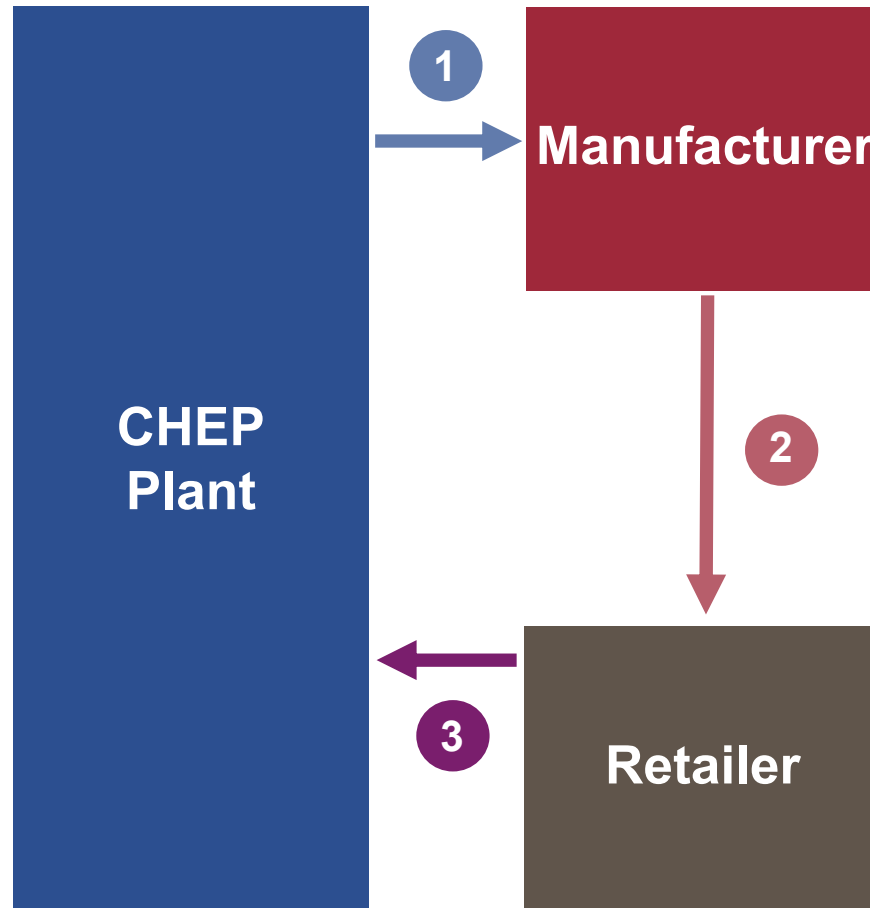
# PALLET PRICING ARCHITECTURE



		One Way	Exchange	Transfer Hire
<b>ISSUE FEE</b>	Fee for issue of a quality assured pallet from a CHEP service centre	✓	✓	✓
<b>DAILY HIRE FEE</b>	Fee for each day that a customer uses or remains responsible for a pallet	✓	✓	✓
<b>TRANSFER FEE</b>	Fee for use as pallet transfers into a retail channel	✓	✓	✗
<b>MOVEMENT FEE</b>	Fee levied per movement under load prior to return to CHEP	✗	✓	✗
<b>TRANSPORT FEE</b>	Pallet delivery and/or collection fees	✓	✓	✓
<b>ADMINISTRATIVE FEE</b>	Fees for lost equipment and/or late declaration	✓	✓	✓

\* Note: The above illustrates the principal pricing structure across CHEP. It does not explain all fees.

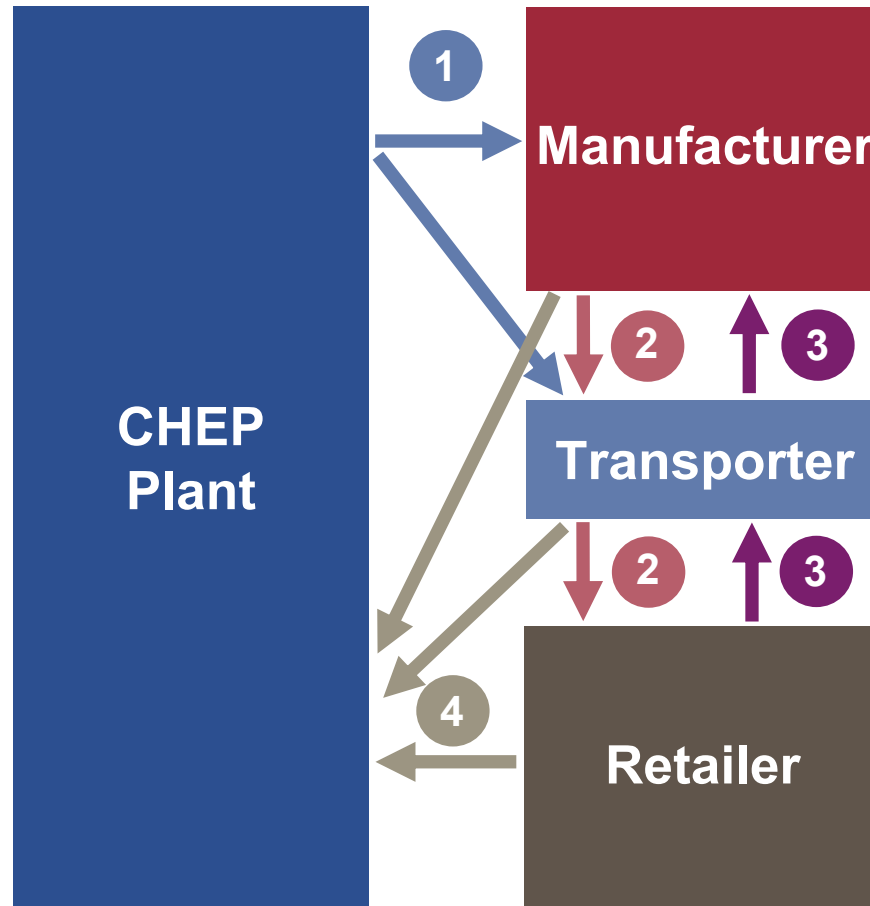
# ONE WAY TRIP (E.G. USA)



- Issue fees are the prime source of revenue
- Issue volume is a proxy for revenue
- Customer taking the issue pays

## Main revenue stream

**Issue Fee** – for issue of a pallet from a CHEP service centre

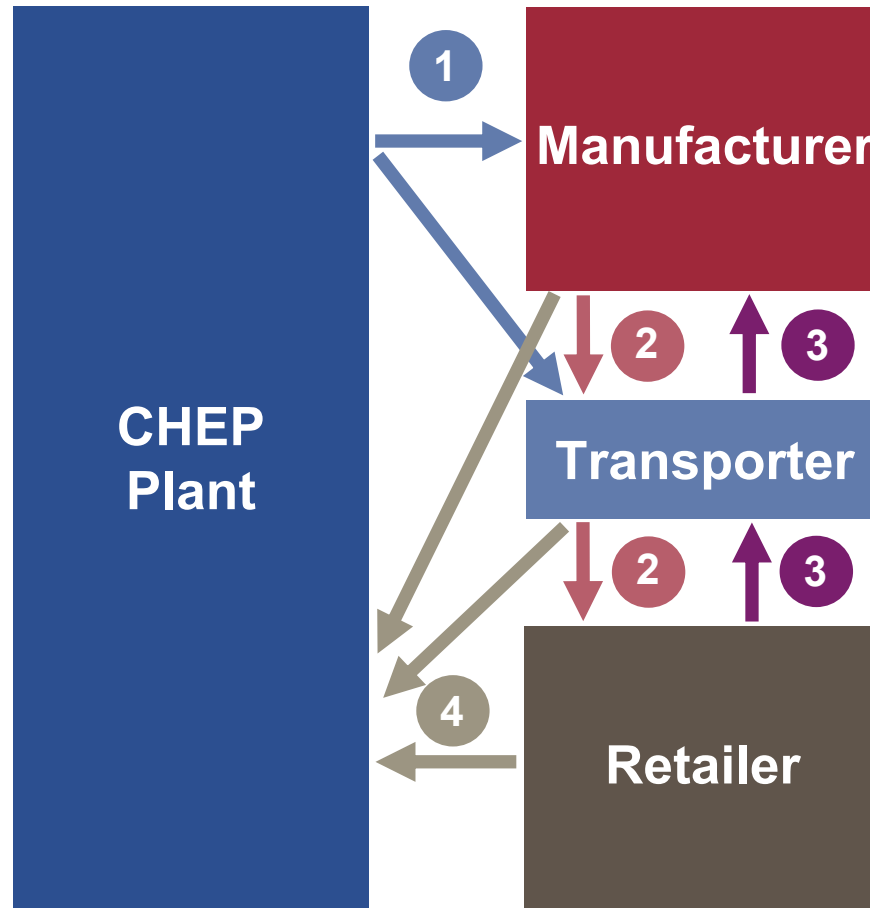


- Movement fees are the prime sources of revenue
- Number of movements and average volume of pallets in the field are proxies for revenue
- Primarily manufacturers and transporters pay
- “Managed Recovery” variation

## Main revenue stream

**Movement Fee** – levied per movement under load

# TRANSFER HIRE (E.G. AUSTRALIA)

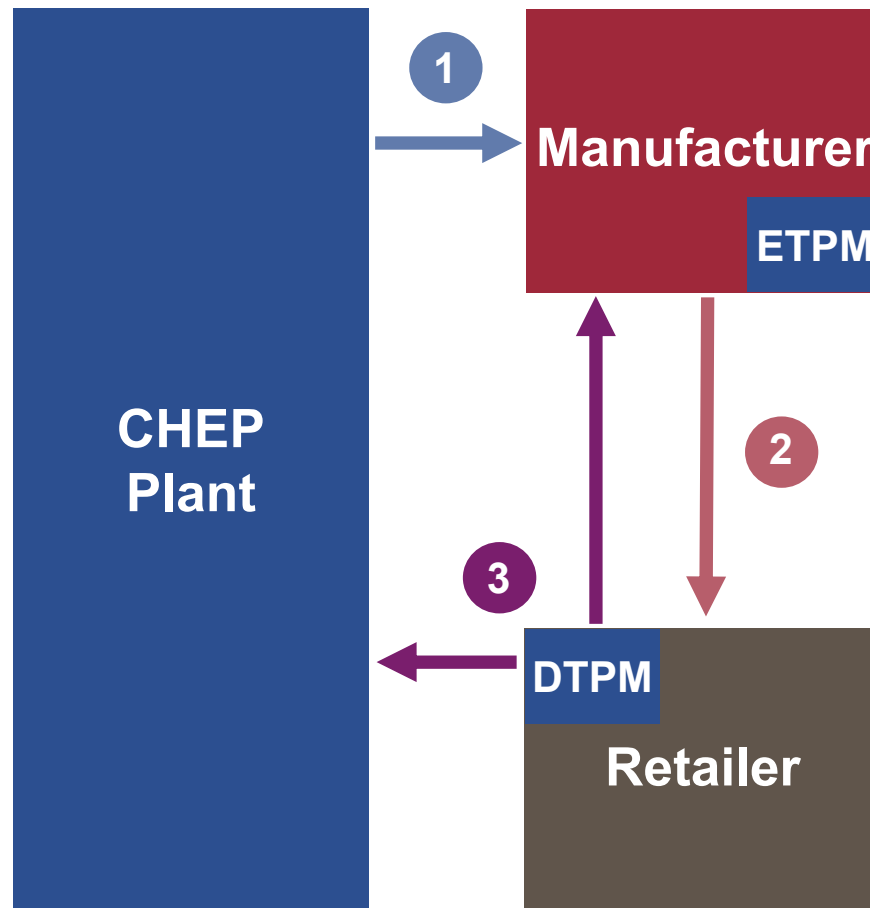


- Daily fees are the prime source of revenue
- Average volume of pallets in the field is a proxy for revenue
- All market participants pay

## Main revenue stream

**Daily Fee** – for each day a pallet is used by a customer

# TOTAL PALLET MANAGEMENT (TPM)



- Optimising transport activity and equipment moves within the network
- Possibility to reduce empty hauls between specific Manufacturer and Retailer
- Improved communication and coordination between Customer and CHEP
- Promotes on time delivery and supply
- Reduction in daily inventory carried
- Minimises administration associated with pallets

# PALLET PLATFORM ECONOMICS EXAMPLE\*



	Wood	Other 1	Other 2
Capital cost	\$20	\$75	\$65
Revenue per issue	\$5	\$5	\$5
Turns / year	3.5	3.5	6.0
Losses per issue	2%	2%	1%
Scraps per issue	1%	1%	0.1%
Pallet life (years)	13.3	28.6	>30
Transport costs % sales	19%	15%	15%
Plant cost % sales	26%	10%	10%
Overheads % sales	16%	10%	10%
Operating costs % sales	61%	35%	35%
<b><u>P&amp;L account (\$)</u></b>			
Revenue	17.5	17.5	30.0
Operating costs	(10.7)	(6.1)	(10.5)
EBITDA	6.8	11.4	19.5
Depreciation	(1.5)	(2.6)	(0.4)
Losses	(0.6)	(5.1)	(3.9)
Underlying Profit	4.7	3.7	15.2
<b>Profit margin</b>	<b>27%</b>	<b>21%</b>	<b>51%</b>
<b>ROCI (Underlying profit / capital cost)</b>	<b>23%</b>	<b>5%</b>	<b>23%</b>
<b>Payback (years)</b>	<b>4.2</b>	<b>21.4</b>	<b>4.3</b>

\* Extracted from Brambles Operations Review presentation 11 May 2009 using June 2008 data

# POOLED WOOD PALLET THE BEST ENVIRONMENTAL SOLUTION FOR THE BROAD SUPPLY CHAIN



Renewable resource

Sustainably managed forests

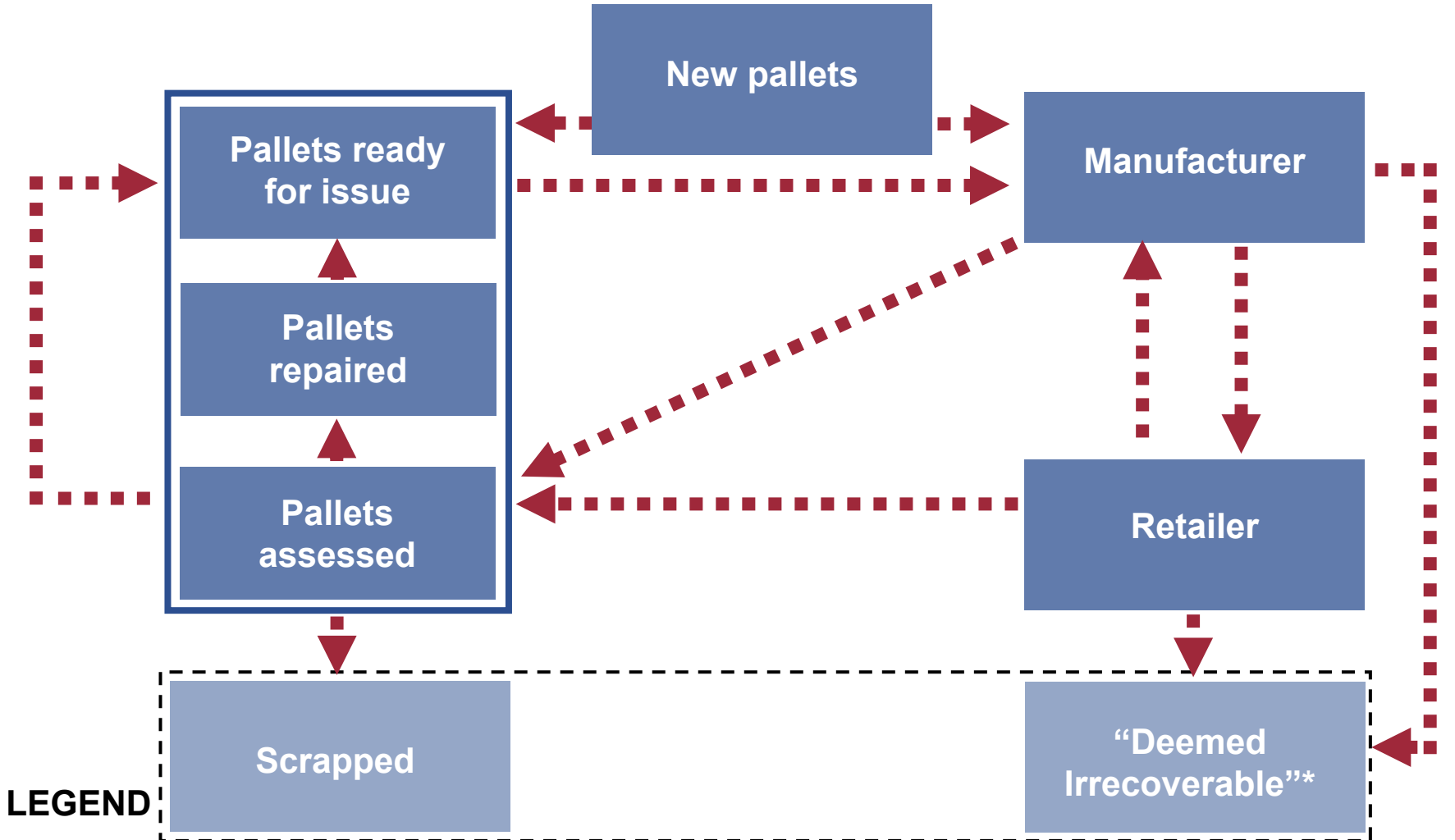
Fully recyclable

Ten years of scientific studies

- ✓ Lower emissions
- ✓ Lower energy consumption
- ✓ Lower solid waste



# PALLET LIFE CYCLE: ACCOUNTING PERSPECTIVE



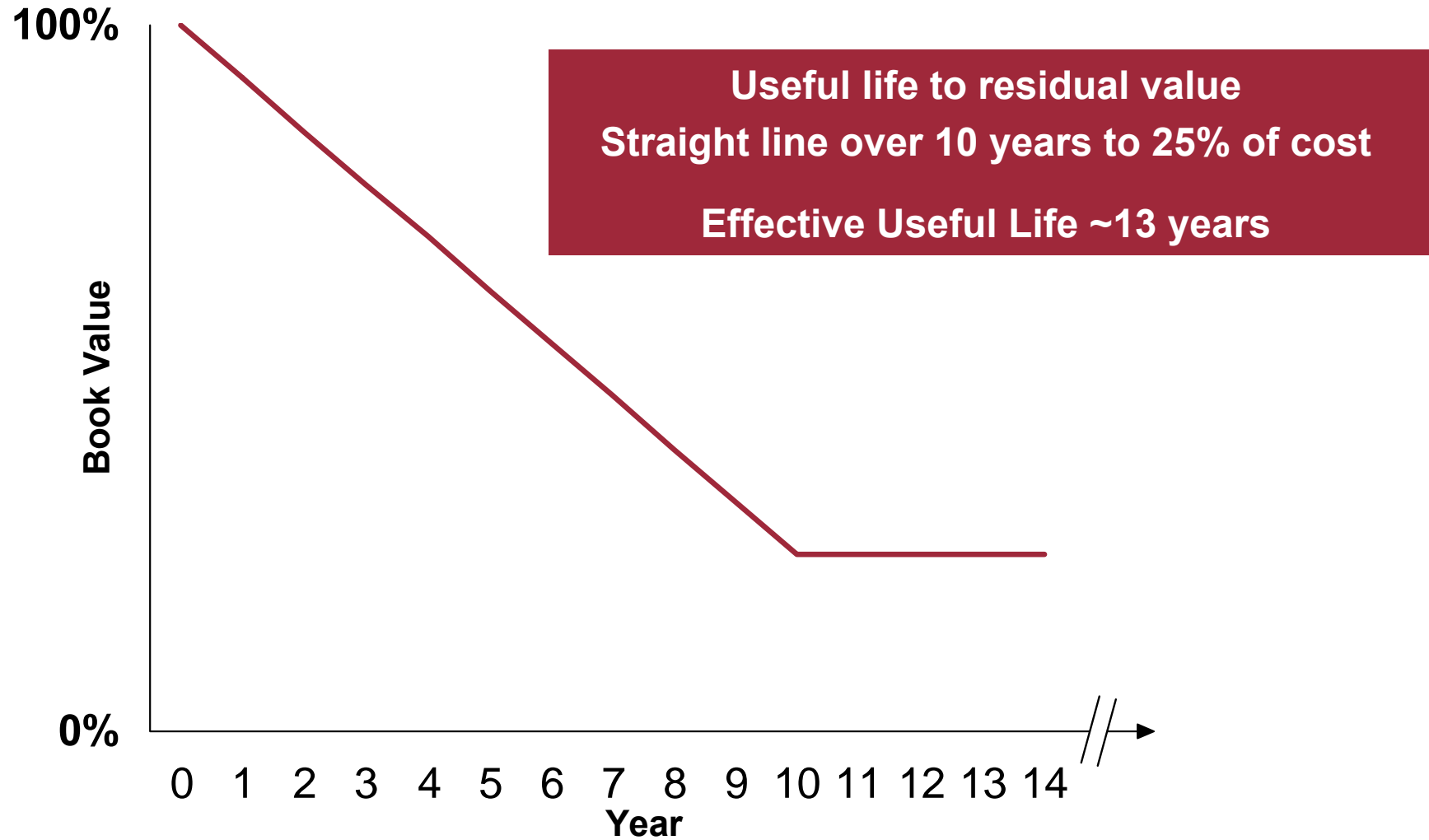
**LEGEND**

■ ■ ■ pallet flows

\*Deemed irrecoverable from an accounting perspective at a specific point in time

- Sales growth
- Asset turns
- Transport costs
- Plant costs
- Asset management costs
  - recovery
  - depreciation
  - IPEP expense

# WOOD PALLET DEPRECIATION POLICY



# ASSET MANAGEMENT – ACCOUNTING FOR PALLETS DEEMED IRRECOVERABLE



- Pallets that cannot be accounted for at a particular location at a specific point in time are deemed 'irrecoverable' from an accounting perspective
- Two types of irrecoverable pallets

## Compensatable

- Via individual contract (varies by customer and region)
- On receipt of compensation the Net Book Value (NBV) and pallet numbers are written off
- Partially offsets gross replacement capex (varies across time, region and customer)

## Uncompensatable

- Built into cost and pricing structure
- NBV of potential unaccounted for pallets is provided through the Irrecoverable Pooling Equipment Provision (IPEP)
- Pallet numbers are written off on audit completion

**In both cases irrecoverable pallets have to be replaced.**

**'Unaccounted for' pallets represents ~9-10% pa of the pallet pool.**

# IRRECOVERABLE POOLING EQUIPMENT PROVISION (IPEP)



- Irrecoverable Pooling Equipment Provision Expense
  - Reflects the cost to CHEP in the period of known and estimated uncompensatable irrecoverable pallets at a particular point in time
  - Includes pallets that are unaccounted for due to:
    - A distributor that does not have a contractual agreement with CHEP
    - The result or anticipated result of an audit where it is known unaccounted for pallets will not be compensated
  - Uncompensatable pallets are written off against the provision
- IPEP is determined with reference to historical statistical data, audit outcomes, KPIs and management estimates which all require judgement

# COST STRUCTURE AND KEY PROFIT DRIVERS



## Management Accounts

for the year ended 30 June 2009

	US\$ / %
Sales revenue	100
Transport costs	(19)
Plant operations	(27)
Depreciation	(10)
Net gains on disposals of PPE	0
IPEP expense	(3)
Other operating expenses	(16)
<b>Underlying profit</b>	<b>25</b>

Note: numbers are indicative only.

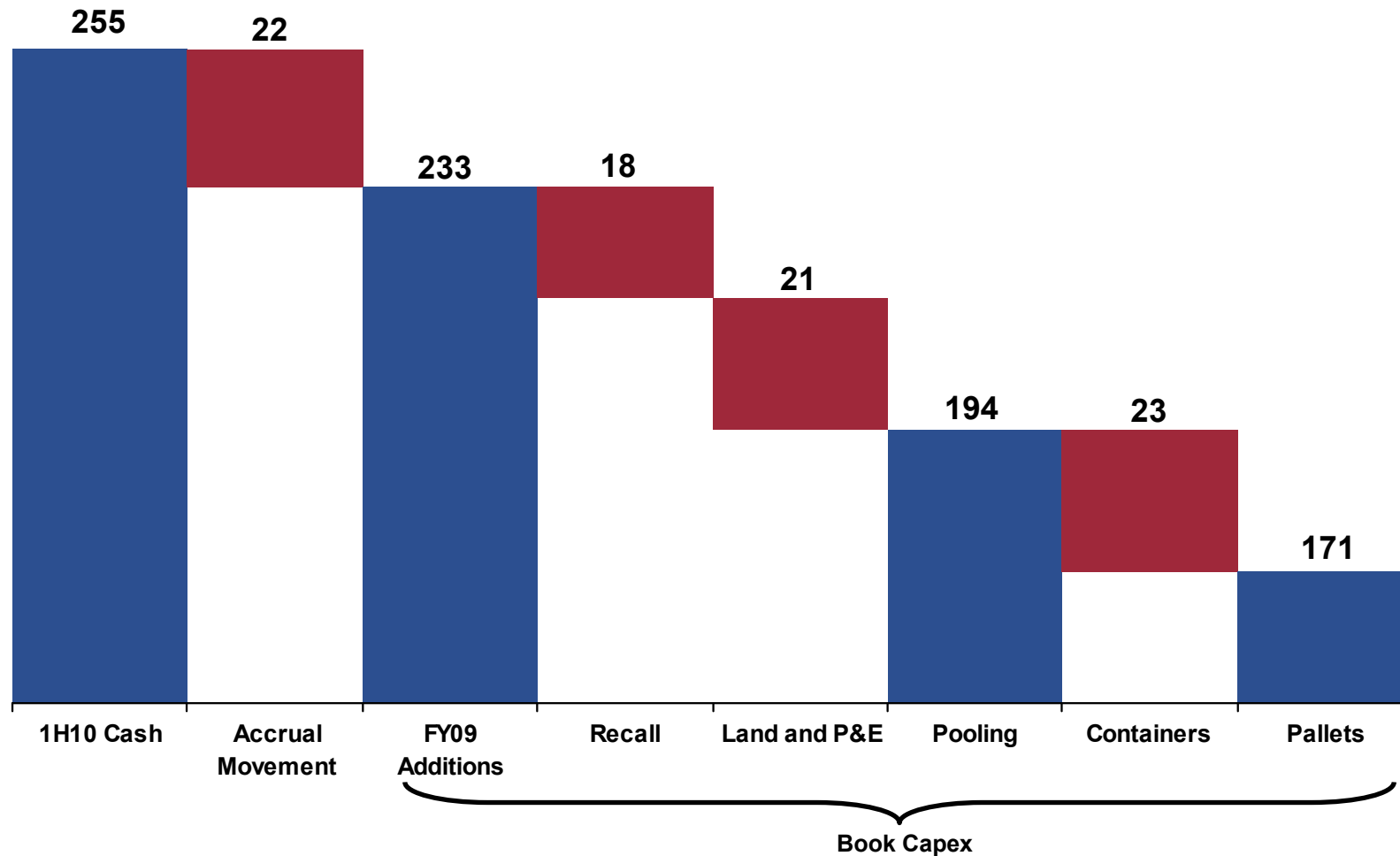
# IMPACT ON FINANCIAL STATEMENT



	Income Statement	Balance Sheet	Cash Flow statement
<b>Asset purchase</b>	-	Property, Plant and Equipment / Trade payables	Purchases of Property, Plant & Equipment
<b>Fees</b>	Sales revenue	Trade receivables	Receipts from customers
<b>Direct costs – Plant costs, transport costs</b>	Operating expenses. No direct link between management account definition and note 5 (b)	Trade payables	Payments to suppliers and employees
<b>Fuel Surcharge</b>	Other operating income	Trade receivables	Offset to payments to suppliers
<b>White wood sales</b>	Other operating income	Trade receivables	Offset to payments to suppliers
<b>Direct cost - Depreciation</b>	Operating expenses - Depreciation	Property, Plant and Equipment	-
<b>Compensatables</b>	Net gains on disposal of property plant and equipment	Property, Plant and Equipment	Proceeds of property, plant and equipment
<b>Assets scrapped</b>	Net gains on disposal of property plant and equipment	Property, Plant and Equipment	Proceeds of property, plant and equipment
<b>Uncompensatables</b>	Operating expenses – IPEP expense	Property, Plant and Equipment	-

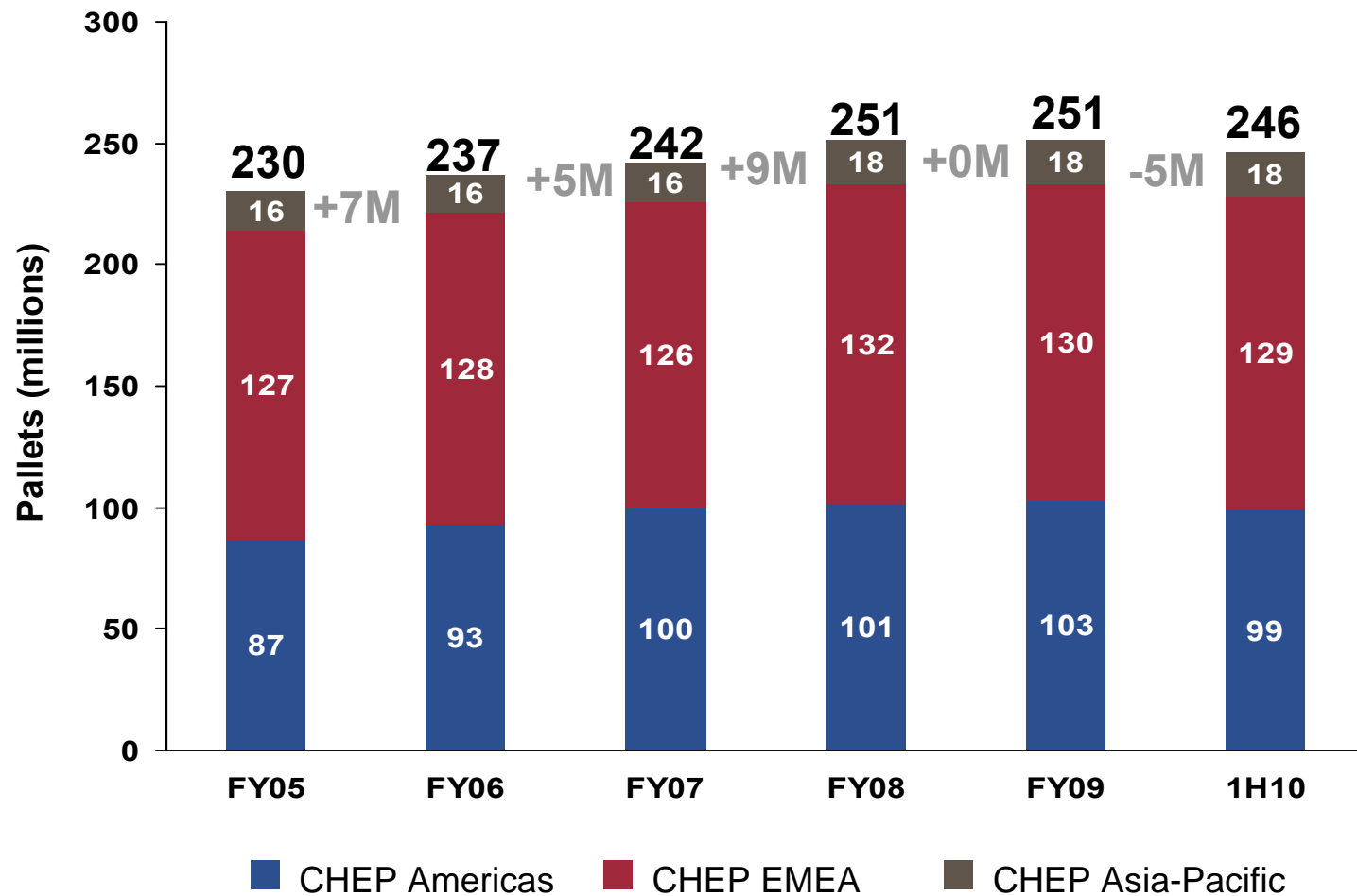
# CAPEX – CASH TO BOOK – 1H10

US\$M actual exchange rates





# GROWTH IN PALLET NUMBERS



Pallet numbers are shown gross, before provisions

# RECONCILING PALLET NUMBERS FOR CAPEX



## Pallet Growth

- FY08: 251M pallets
- FY09: 251M pallets
- Growth: 0M pallets or 0% of the pool
- Pallet volume growth 0%

## Capex Analysis

		Number of Pallets
FY09 Capex at approximately US\$18 per pallet	US \$462M	25 M
Growth Capex	US \$( 0)M	(0)M
Replacement Capex (~10% of pool)	US \$( 450)M	(25)M
Difference due to rounding etc.	<u>US \$12 M</u>	

# GUIDE TO ESTIMATING PALLET EXPENDITURE



- Assume average pallet price for example: US\$18
- Assume growth rate for example: 0% of the pool or 0M pallets
- Assume replacement rate for example: 10% of the pool or 25M pallets
- Therefore capex required US\$450M or ~US\$462M

Example  
of capex  
FY09 US\$M

~US\$ - M

~US\$450M

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~US\$450M

# BOOK CAPEX/DEPRECIATION – FY09



- Pallets are ~82% of the net carrying amount of plant and equipment

## Capex and Depreciation Underlying Ratio

Pallet Capex

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Pallet Depreciation + IPEP + NBV of Compensatable Pallets

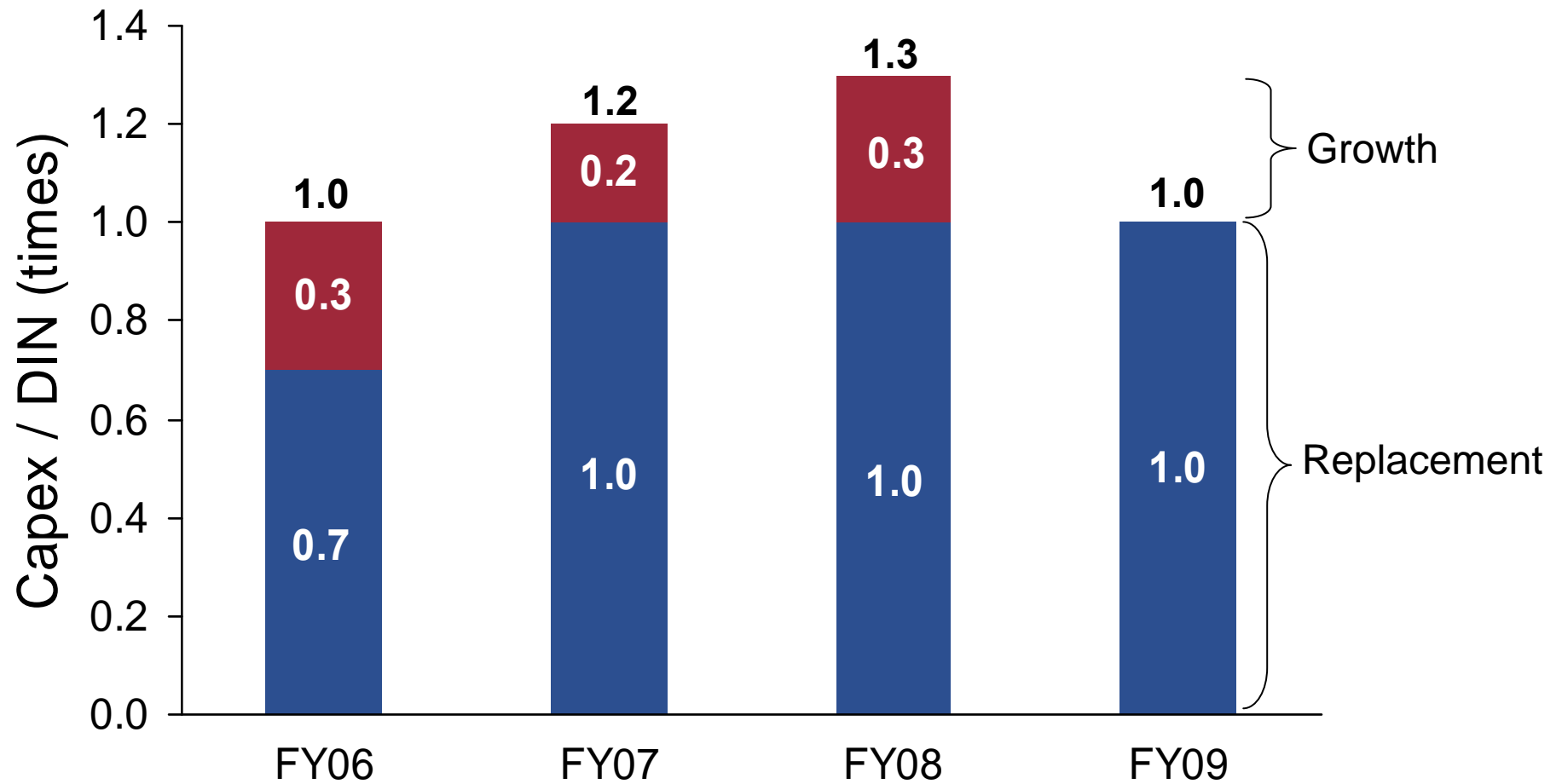
### Example:

US\$462M

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US\$285M + US\$98M + (US\$89M × 82%)

# BOOK CAPEX/(DEPRECIATION + IPEP + NBV) FOR PALLETS



# CONTROL RATIO AND ASSET MANAGEMENT



- Internally used to measure asset management in the one way trip pooling model
- $(\text{Pallet Returns} + \text{Recoveries}) / \text{Total Issues}$
- A lower control ratio drives higher replacement capex (assuming that the pool is stable)
- Limitations to use
  - does not take into account growth
  - represents asset control between two selected points in time

## Example

**In a stable environment, a control ratio of 97% equates to 'unaccounted for' pallets of 3%. In a pool with 3 asset turns per annum this calculates to 9% of the pallets in the pool per annum being 'unaccounted for' (i.e. 3% x 3 turns)**

- In addition to monitoring plant operations using KPIs, CHEP regularly conducts physical audits to validate pallet quantities at customer locations
- Adjustments to pallet holdings are made once audits are reconciled and finalised. This can take some months

*CHEP maintains ownership of all its pallets and other pooling equipment even when such assets may physically be in the hands of manufacturers, retailers, pallet recyclers or others.*

*Notwithstanding the accounting treatment and perspective, which requires certain provisions to be made for pooling equipment deemed irrecoverable, CHEP at no time forfeits its ownership rights with respect to any CHEP pallets or other pooling equipment.*



# recall™

Your Information. Securely Managed.



Company  
overview

CHEP

Recall

FY09 Results

Appendix

**Brambles**

- Global leader in document and information management
- Operations at nearly 300 facilities in over 20 countries
- Approximately 4,500 employees working for nearly 80,000 customers
- Effectively manages customers' information throughout its lifecycle
- Headquarters in Atlanta, Georgia (USA)



*Document carton*



## Document Management Solutions (DMS)

- Secure indexing, storage, image capture and retrieval of physical and digital documents



## Secure Destruction Services (SDS)

- Confidential destruction of sensitive documents, other media and items of high intrinsic value



## Data Protection Services (DPS)

- Secure off-site storage, rotation, protection and recovery of multi-media data

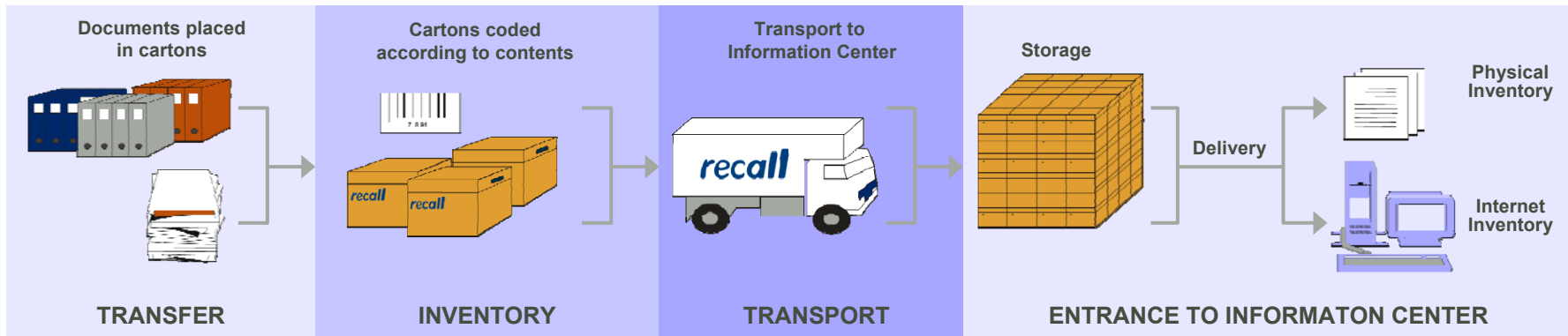


*Recall's shredder trucks destroy paper documents on-site*

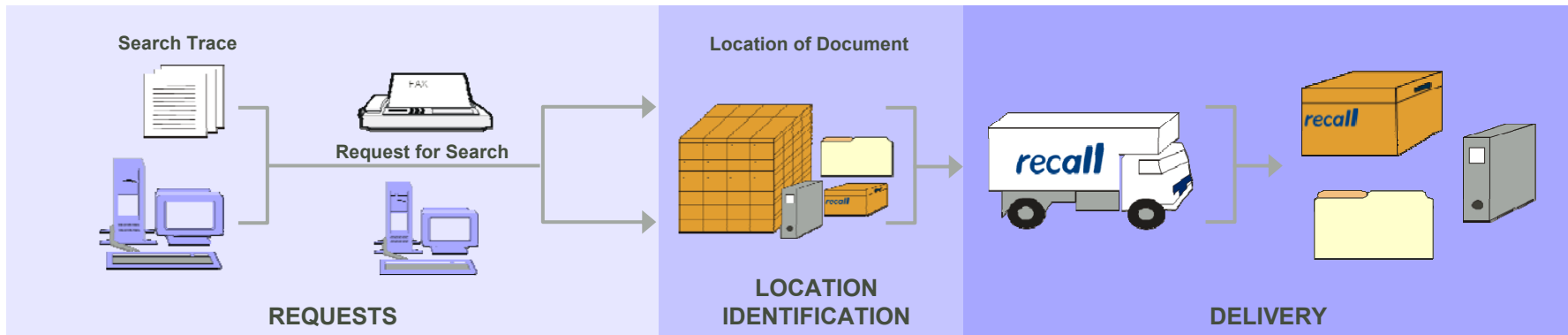
# SPECIALISED LOGISTICS PROCESSES



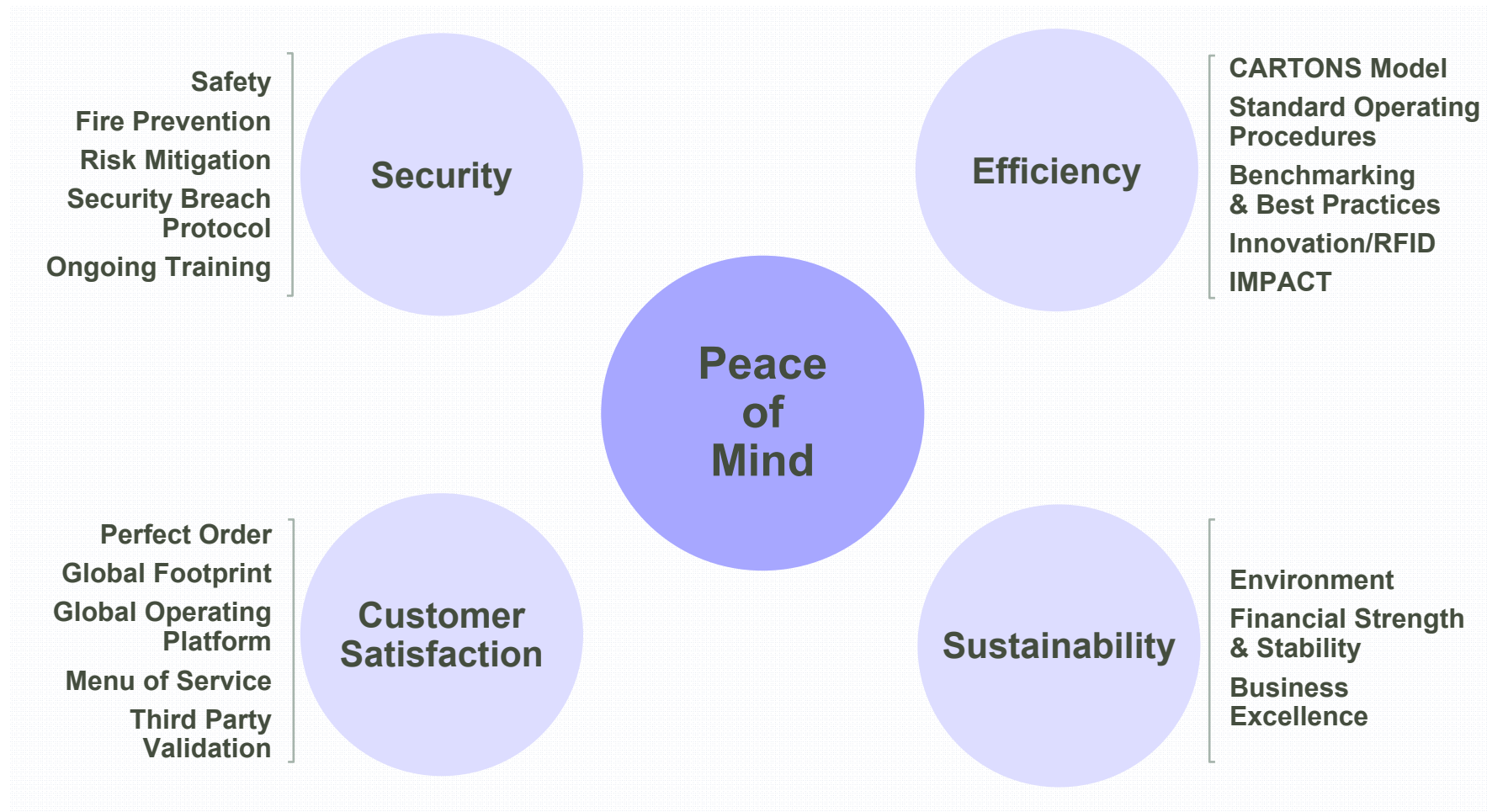
## STORAGE



## SEARCH & RETRIEVAL



# THE RECALL ADVANTAGE



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# Brambles

2010 Interim Results

Analyst presentation

17 February 2010



# Tom Gorman

Chief Executive Officer

Company  
overview

CHEP

Recall

1H10 Results

Appendix

**Brambles**

# FIRST-HALF RESULTS

- Solid financial discipline
  - Cash flow
  - Balance sheet
  - Overhead reduction
- Sales negatively impacted by economic weakness
  - USA
  - Western Europe
- Winning business in all markets today
- Continuing long-term investment
  - Better Everyday in CHEP USA
  - Growth markets



# FIRST-HALF RESULTS (CONTINUED)

- Safety performance
  - Ongoing improvements
  - Zero Harm
- New leadership team
- Well-placed to return to growth
  - Leveraged to economic recovery
  - Brambles initiatives

# GROUP OVERVIEW

Sales revenue

↓2%

Statutory  
operating profit

↓3%

Statutory EPS

↓8%

Free cash flow  
after dividends

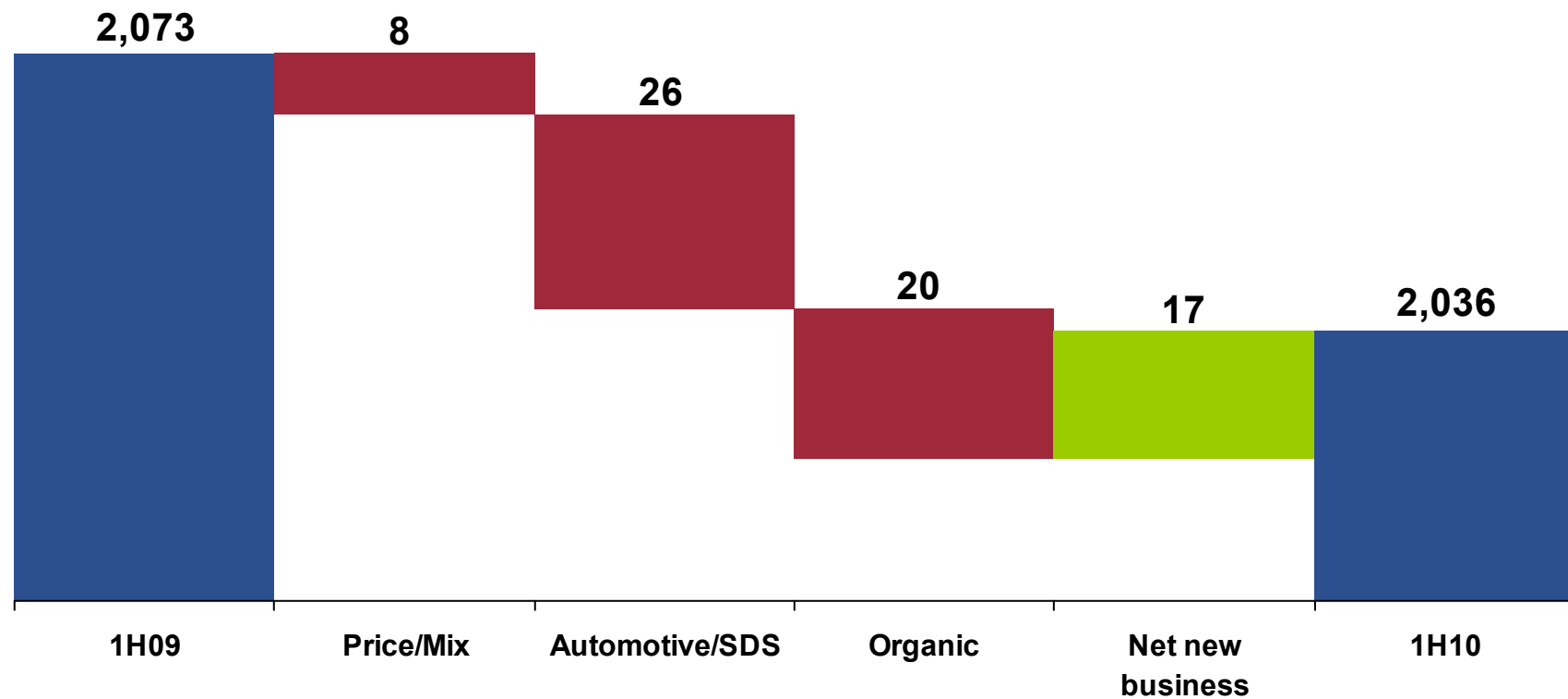
↑US\$224m

- Sales revenue down 2%
  - Subdued business conditions
  - Primarily Automotive and SDS
- Statutory operating profit down 3%
  - Underlying profit down 30%
  - Better Everyday in CHEP USA
- Strong cash flow
- Interim dividend of A12.5¢

Growth % calculated on constant currency basis; free cash flow after dividends is at actual rates

# GROUP SALES REVENUE

US\$m

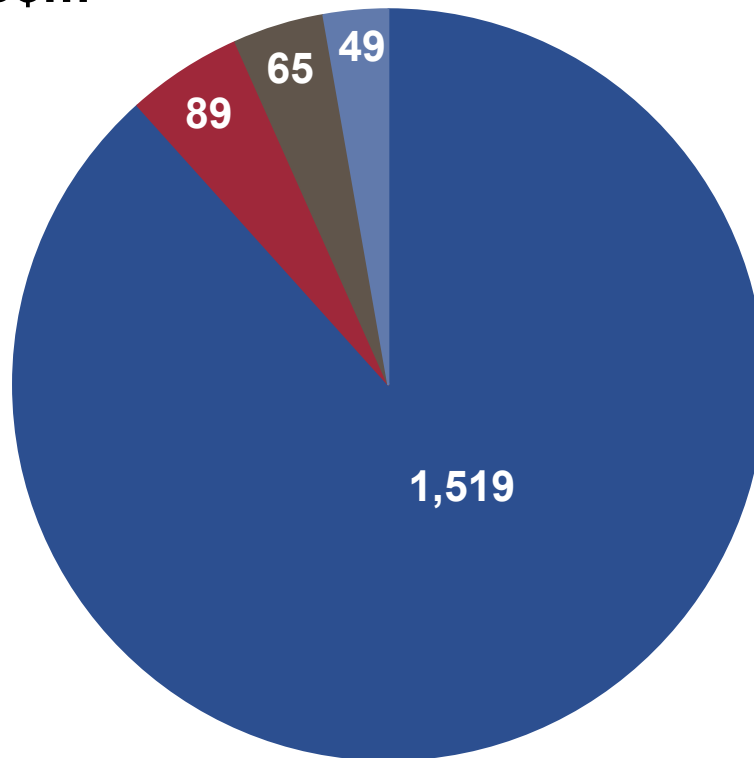


All numbers are calculated at constant currency

# SALES REVENUE BY PRODUCT LINE



US\$m



Growth vs. 1H09

Pallets	↓ 2%
RPC	↑ 15%
Automotive	↓ 17%
Other	↓ 7%

■ Pallets ■ RPC ■ Automotive ■ Other  
**88%**      **5%**      **4%**      **3%**

Growth % calculated on constant currency

# CHEP AMERICAS RESULTS



Sales revenue

↓ 5%

Statutory operating profit

↑ 36%

Underlying profit

↓ 54%

Cash flow from operations

↑ US\$23m

- Sales revenue down 5%
  - CHEP USA sales decline
  - Sales up in CHEP Canada, CHEP Latin America
  - Anticipate CHEP USA pallet issue volumes down 3% for FY10
- Statutory operating profit up 36%
  - No Significant items in 1H10
- Underlying profit down 54%
  - Better Everyday
  - All quality spend included in Underlying profit (excluded in FY09)
  - Volume/price, IPEP, storage
- Cash flow increase reflects capex reduction

Growth % calculated on constant currency basis; cash flow at actual rates

- Rollout progressing on target
  - US\$65m expenditure in line with plan
- Pallet quality and service improvements
  - Positive reaction to new repair specifications
  - Rejections down
- Ease of doing business
  - Portfolio+Plus roll-out on track
  - Simplified invoice launch in FY11
- Strengthen, realign sales and marketing

# CHEP EMEA RESULTS



Sales revenue

↓ 1%

Statutory operating profit

↓ 8%

Cash flow from operations

↑ US\$66m

- Sales revenue down 1%
  - Weak UK and Spain
  - Automotive subdued
  - Offset by new business growth
- Operating profit down 8%
  - Deleveraging costs
  - Restructuring savings
- Cash flow improvement: lower capex

Growth % calculated on constant currency basis; cash flow at actual rates

# CHEP ASIA-PACIFIC RESULTS



Sales revenue

↑ 4%

Statutory operating profit

↓ 6%

Cash flow from operations

↑ US\$59m

- Sales revenue up 4%
  - CHEP Australia: new platforms offset lower pallet volumes
  - Weak automotive
  - China, India, South-East Asia, New Zealand sales growth
- Operating profit down 6%
- Strong cash flow

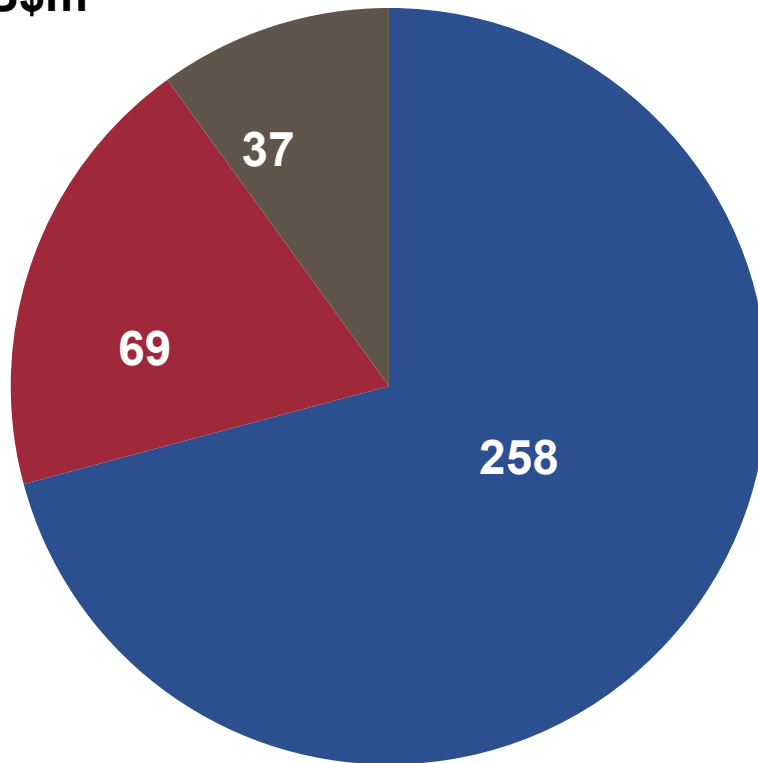
Growth % calculated on constant currency basis; cash flow at actual rates



# SALES REVENUE BY PRODUCT LINE



US\$m



**DMS** 71%    **SDS** 19%    **DPS** 10%

Growth vs. 1H09

DMS	↑ 4%
SDS	↓ 15%
DPS	↑ 1%

Growth % calculated on constant currency basis

# RECALL RESULTS

*recall*<sup>™</sup>

Sales revenue

↓ 1%

Statutory operating profit

in line with prior period

Cash flow from operations

↑ US\$24m

- Sales revenue down 1%
  - Growth in core DMS
  - SDS down 15%
  - Excluding SDS sales up 4%
- Statutory operating profit in line with 1H09
  - Up 16% excluding SDS
  - Benefits of FY09 restructuring

Growth % calculated on constant currency basis; cash flow at actual rates

# Greg Hayes

Chief Financial Officer

Company  
overview

CHEP

Recall

1H10 Results

Appendix

**Brambles**

# 2010 FIRST-HALF RESULTS

	Actual	Constant		Growth
	1H10 US\$m	1H10 US\$m	1H09 US\$m	%
<b>Continuing operations</b>				
Sales revenue	<b>2,086.1</b>	2,036.2	2,073.2	(2)
Underlying profit	<b>340.2</b>	328.6	469.3	(30)
Statutory operating profit	<b>338.1</b>	326.4	337.6	(3)
Profit before tax	<b>284.1</b>	272.6	273.9	-
Profit after tax	<b>206.7</b>	198.3	195.3	2
Statutory EPS <sup>1</sup> (cents)	<b>14.8</b>	14.2	15.4	(8)
Cash flow from operations	<b>400.3</b>	379.3	220.8	72
Brambles Value Added		71.0	151.4	(53)

<sup>1</sup>Includes discontinued operations

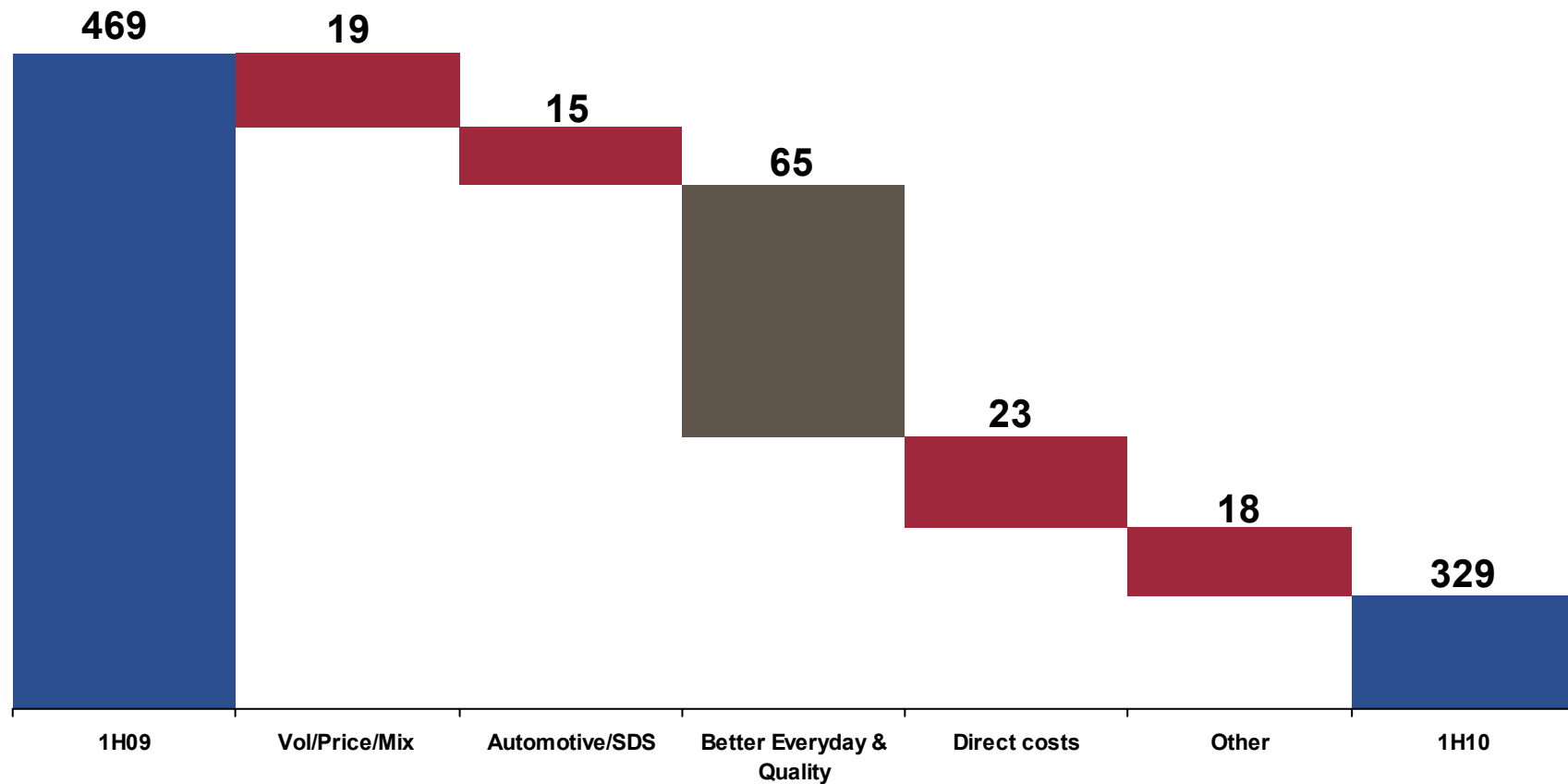
Growth % calculated on constant currency basis

# SIGNIFICANT ITEMS

Actual rates	1H10 US\$m	1H09 US\$m
<b>Underlying profit</b>	<b>340.2</b>	<b>469.3</b>
<b>Items within ordinary activities, but unusual due to size and nature:</b>		
CHEP USA Quality program	-	(34.5)
Walmart net transition impact	-	(20.2)
<b>Items outside the ordinary course of business:</b>		
Accelerated scrapping of surplus pallets	-	(99.0)
Facilities and operations rationalisation	(2.1)	(7.9)
Foreign exchange gain on capital repatriation	-	29.9
<b>Subtotal</b>	<b>(2.1)</b>	<b>(131.7)</b>
<b>Statutory operating profit</b>	<b>338.1</b>	<b>337.6</b>

# GROUP UNDERLYING PROFIT

US\$m



All numbers are calculated at constant currency

# OVERVIEW



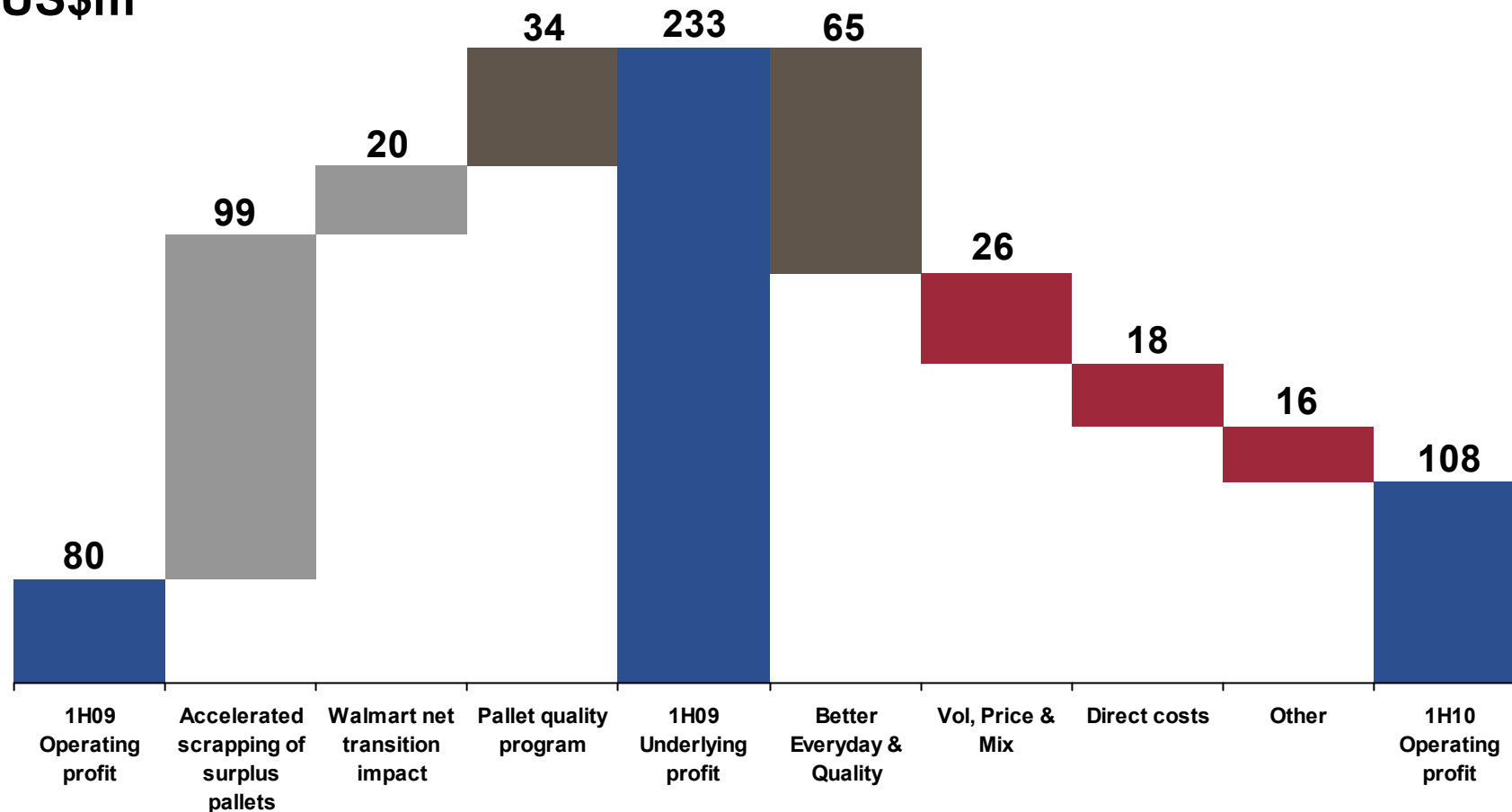
	Actual	Constant		
	1H10 US\$m	1H10 US\$m	1H09 US\$m	Growth %
Americas	756.9	756.3	792.5	(5)
EMEA	770.1	756.2	761.0	(1)
Asia-Pacific	195.0	172.8	166.6	4
<b>Sales revenue</b>	<b>1,722.0</b>	<b>1,685.3</b>	<b>1,720.1</b>	<b>(2)</b>
<b>Statutory operating profit</b>	<b>300.4</b>	<b>288.3</b>	<b>274.2</b>	<b>5</b>
<b>Profit margin (%)</b>	<b>17</b>	<b>17</b>	<b>16</b>	

Growth % calculated on constant currency basis

# CHEP AMERICAS – STATUTORY OPERATING PROFIT



US\$m



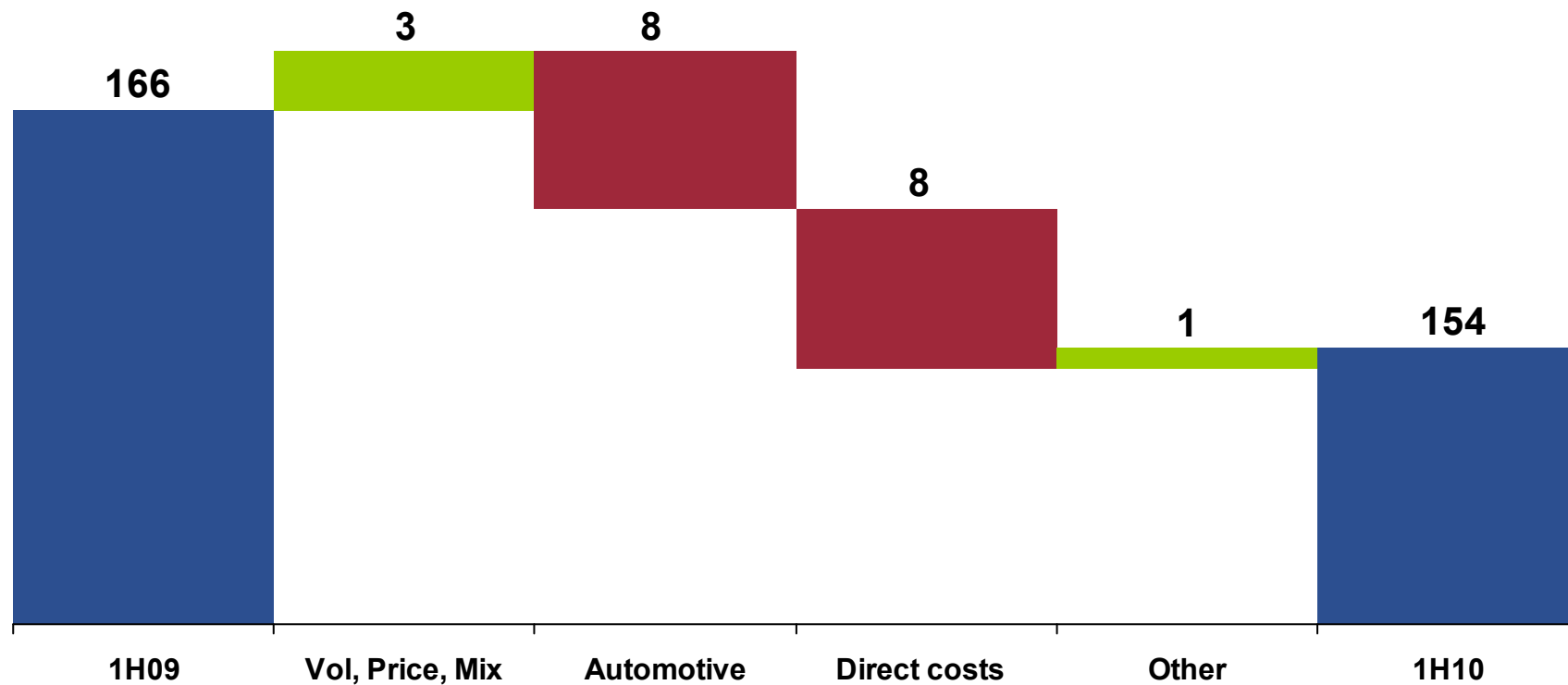
All numbers are calculated at constant currency



# CHEP EMEA – STATUTORY OPERATING PROFIT



US\$m

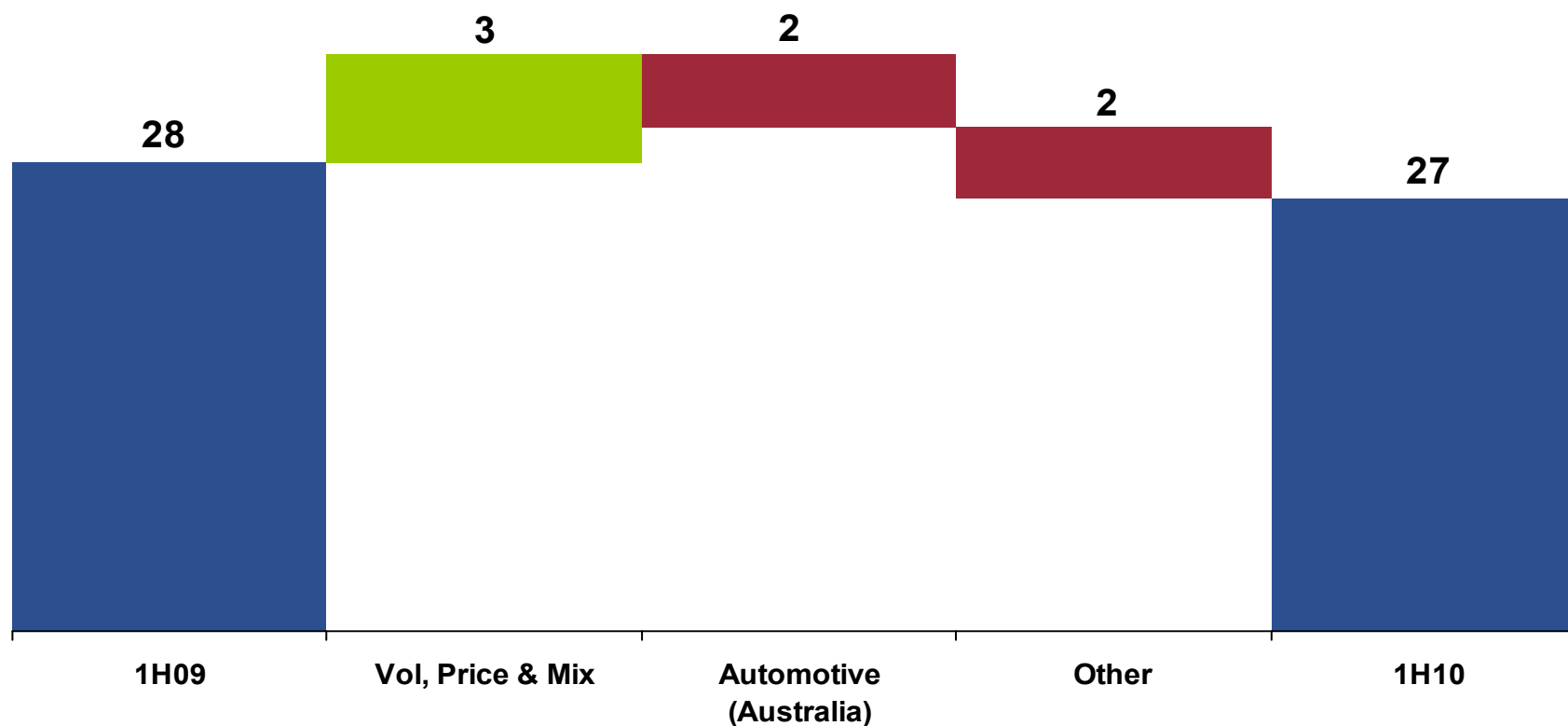


All numbers are calculated at constant currency

# CHEP ASIA-PACIFIC – STATUTORY OPERATING PROFIT



US\$m



All numbers are calculated at constant currency

# OVERVIEW

*recall*<sup>TM</sup>

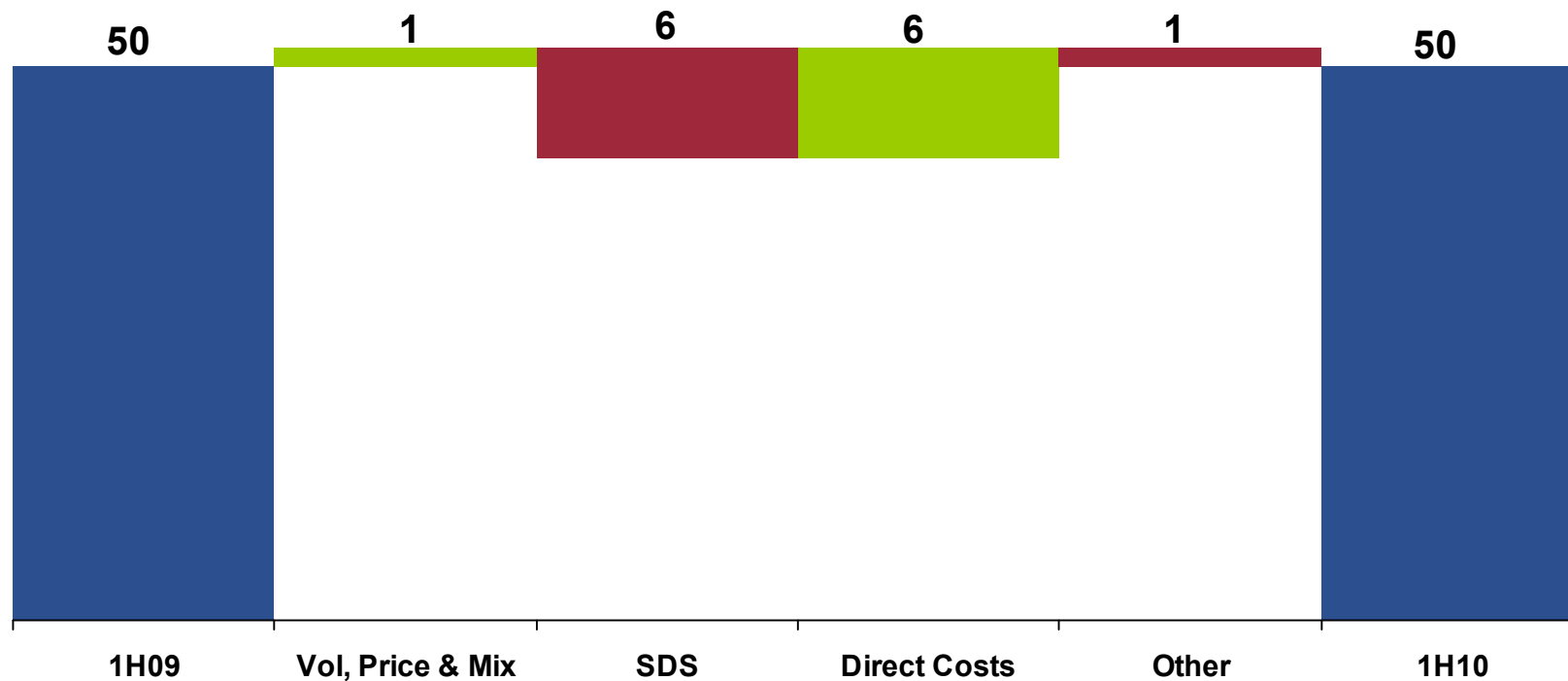
	Actual	Constant		
	1H10 US\$m	1H10 US\$m	1H09 US\$m	Growth %
Americas	161.9	159.9	161.2	(1)
Europe	95.3	94.4	96.8	(2)
RoW	106.9	96.6	95.1	2
<b>Sales revenue</b>	<b>364.1</b>	<b>350.9</b>	<b>353.1</b>	<b>(1)</b>
<b>Statutory operating profit</b>	<b>52.5</b>	<b>49.7</b>	<b>49.5</b>	<b>—</b>
<b>Profit margin (%)</b>	<b>14</b>	<b>14</b>	<b>14</b>	

Growth % calculated on constant currency basis

# RECALL – STATUTORY OPERATING PROFIT



US\$m



All numbers are calculated at constant currency

# Cash flow and finance

Company  
overview

CHEP

Recall

1H10 Results

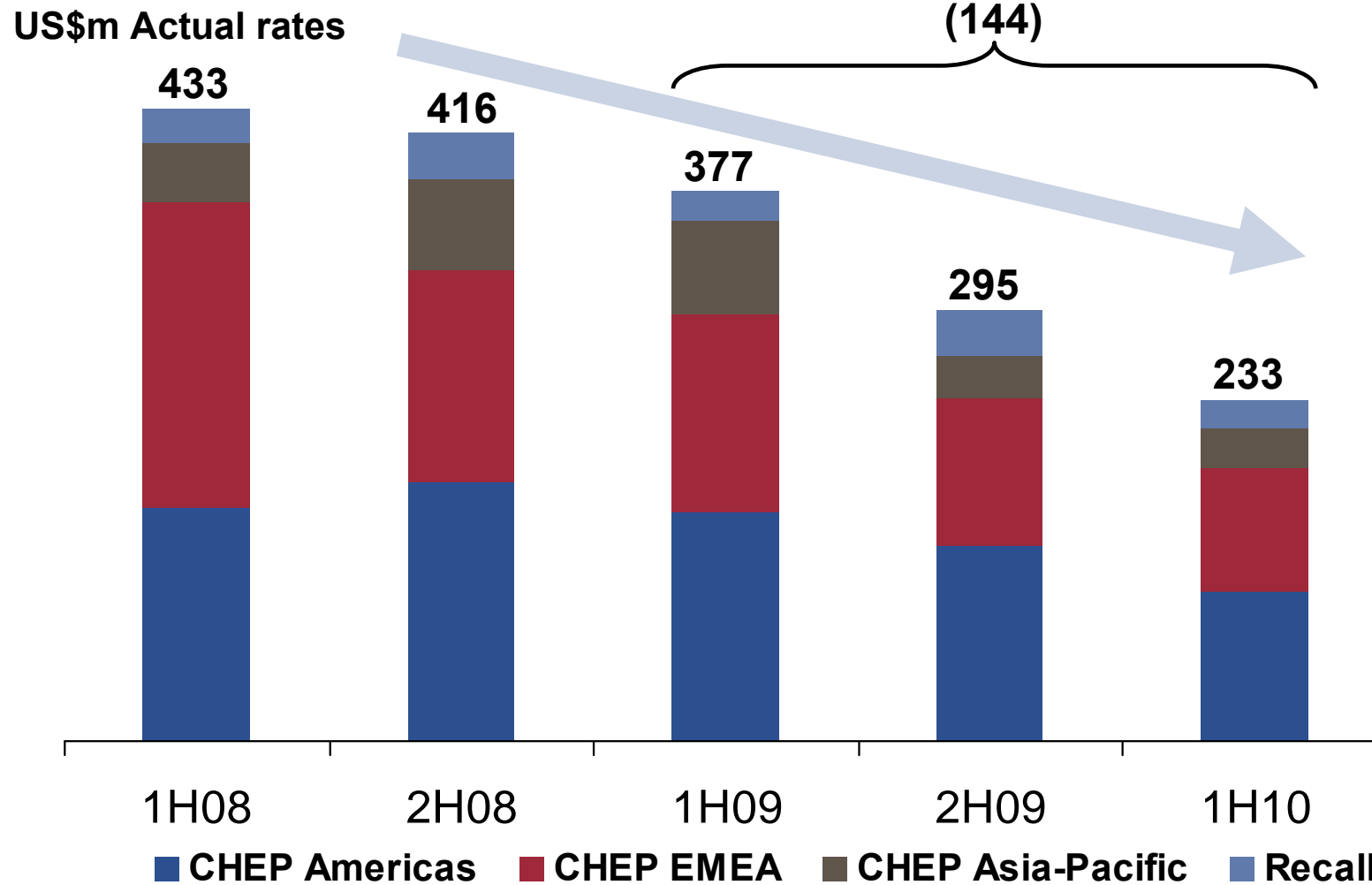
Appendix

**Brambles**

# STRONG CASH FLOW

US\$m Actual rates	1H10	1H09	Change
<b>EBITDA</b>	<b>562.1</b>	<b>627.4</b>	<b>(65.3)</b>
Capital expenditure	(254.6)	(400.1)	145.5
Proceeds from disposals	43.6	41.2	2.4
Working capital movement	(21.4)	(65.5)	44.1
Irrecoverable pooling equipment provision	60.2	36.5	23.7
Provisions / other	10.4	(18.7)	29.1
<b>Cash flow from operations</b>	<b>400.3</b>	<b>220.8</b>	<b>179.5</b>
Significant items outside ordinary activities	(35.1)	(21.7)	(13.4)
<b>Cash flow from operations after Significant items</b>	<b>365.2</b>	<b>199.1</b>	<b>166.1</b>
Financing costs and tax	(130.6)	(126.5)	(4.1)
<b>Free cash flow</b>	<b>234.6</b>	<b>72.6</b>	<b>162.0</b>
Dividends	(101.3)	(163.2)	61.9
<b>Free cash flow after dividends</b>	<b>133.3</b>	<b>(90.6)</b>	<b>223.9</b>

# CAPITAL EXPENDITURE (PP&E)



# FINANCIAL RATIOS

Actual rates	Dec 09	Jun 09
<b>Closing net debt (US\$m)</b>	<b>2,028.4</b>	<b>2,143.4</b>
<b>Gearing (%)</b>	<b>55.3</b>	<b>60.0</b>
(Net debt/Net debt & equity)		

Actual rates	1H10	1H09	Covenants
<b>EBITDA* / Net finance costs (x)</b>	<b>10.4</b>	<b>9.8</b>	x 3.5 (min)
<b>Net debt / EBITDA* (x)</b>	<b>1.8</b>	<b>1.9</b>	x 3.5 (max)

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



# CREDIT FACILITIES & LIQUIDITY

- Ample funding headroom
  - Undrawn committed credit facilities of US\$1,317m
  - Cash balances of US\$118m
- Investment grade credit ratings issued December 2009
  - BBB+ (stable outlook) from Standard & Poor's
  - Baa1 (stable outlook) from Moody's Investor Services

# Tom Gorman

Chief Executive Officer

Company  
overview

CHEP

Recall

1H10 Results

Appendix

**Brambles**

# OUTLOOK

- Outstanding business models
  - Market position
  - Customer base
  - New business pipeline
  - Long-term growth
- Positioned for improved performance as economic conditions recover

# Brambles

2010 Interim Results

Analyst presentation

17 February 2010



# GLOSSARY OF TERMS & MEASURES

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

<b>Actual rates</b>	In the statutory financial statements, foreign currency results are translated into US dollars at the applicable actual monthly exchange rates ruling in each period.
<b>Brambles Value Added (BVA)</b>	<p>Brambles Value Added (BVA) represents the value generated over and above the cost of the capital used to generate that value.</p> <p>It is calculated using fixed June 2009 exchange rates as:</p> <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>
<b>Capital expenditure (capex)</b>	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.
<b>Cash flow from operations</b>	Cash flow generated after net capital expenditure but excluding Significant items that are outside the ordinary course of business.
<b>Constant currency</b>	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 & MEASURES (CONTINUED)

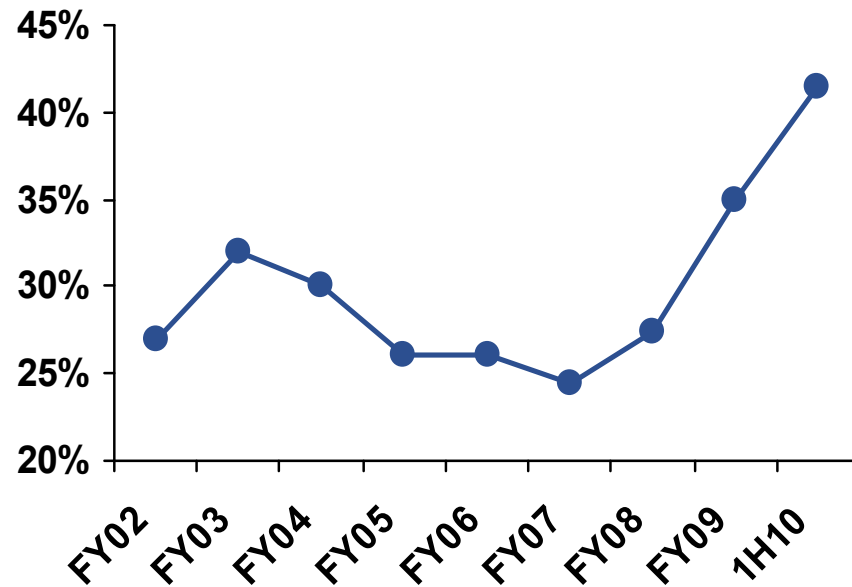
Except where noted, common terms and measures used in this document are based upon the following definitions:

<b>Continuing operations</b>	Continuing operations refers to CHEP, Recall and Brambles HQ.
<b>EPS</b>	Profit after tax, minority interests and Significant items, divided by shares in issue.
<b>Free cash flow</b>	Cash flow generated after net capital expenditure, finance costs and tax, but excluding the net cost of acquisitions and proceeds from business disposals.
<b>Sales revenue</b>	Excludes revenues of associates and non trading revenue.
<b>Shares in issue</b>	Based on weighted average shares in issue of 1,403.8m in 1H10; 1,383.8m in 1H09.
<b>Significant items</b>	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 (eg 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>
<b>Underlying profit</b>	Underlying profit is profit from continuing operations before finance costs, tax and Significant items.

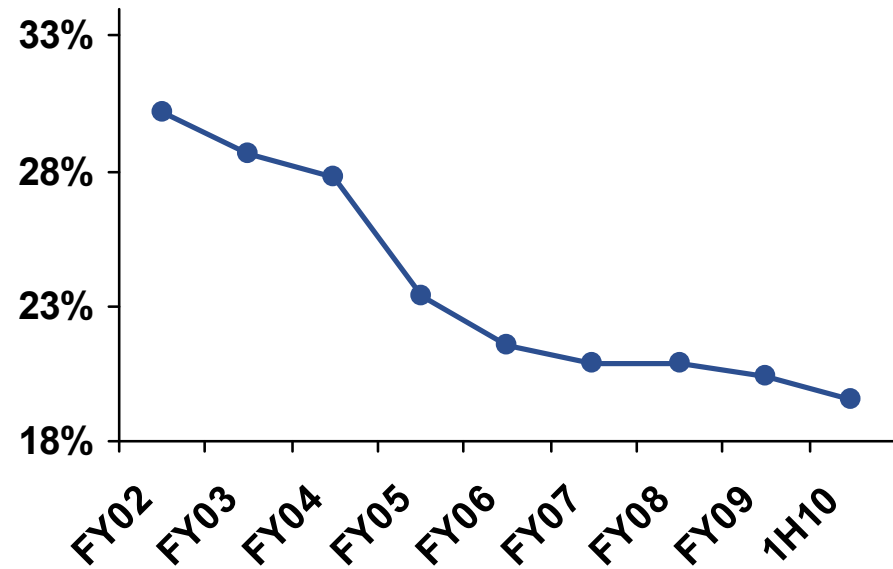
# CHEP USA – PLANT OPERATIONS & TRANSPORTATION TRENDS



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



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

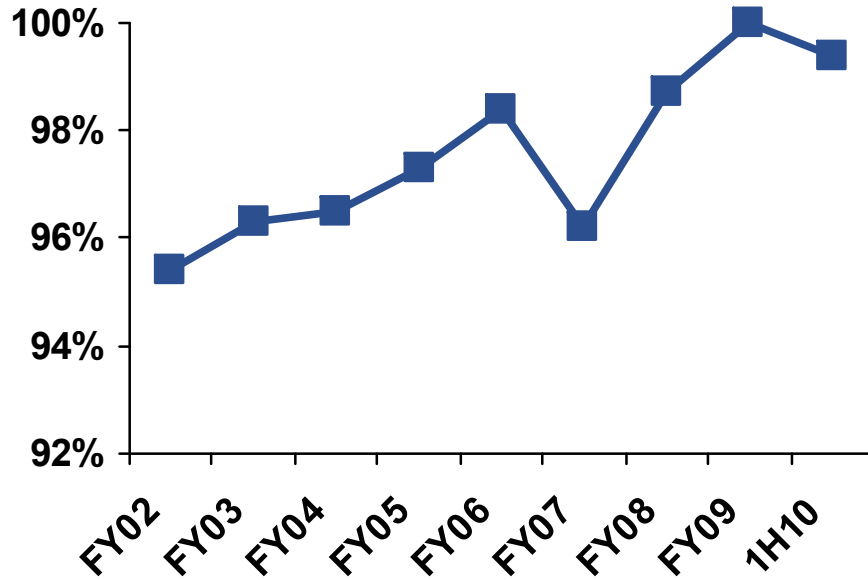


\* FY08, FY09 and FY10 costs include the Quality and Better Everyday Program.



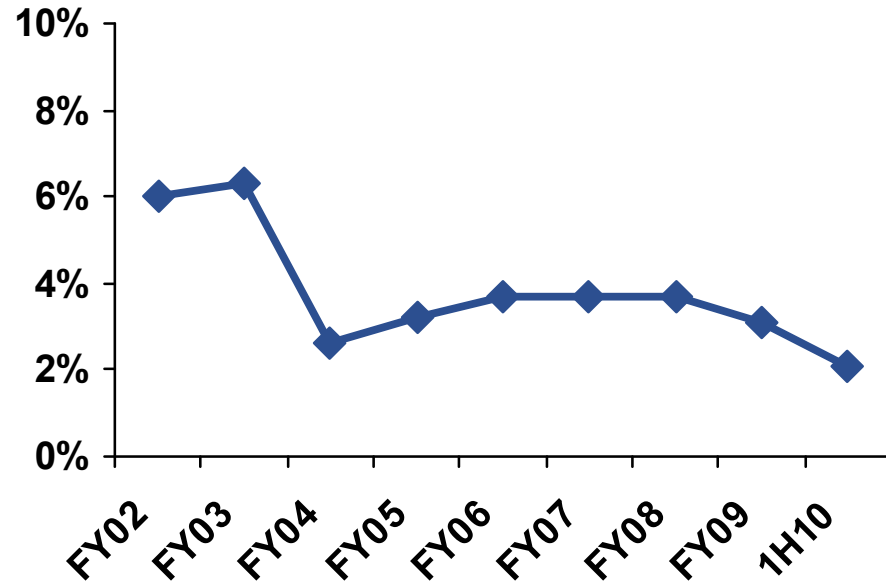
### Control ratio

(Returns + Recoveries / Total Issues)



### New equipment issue ratio

(Pallets purchased / Total issues)

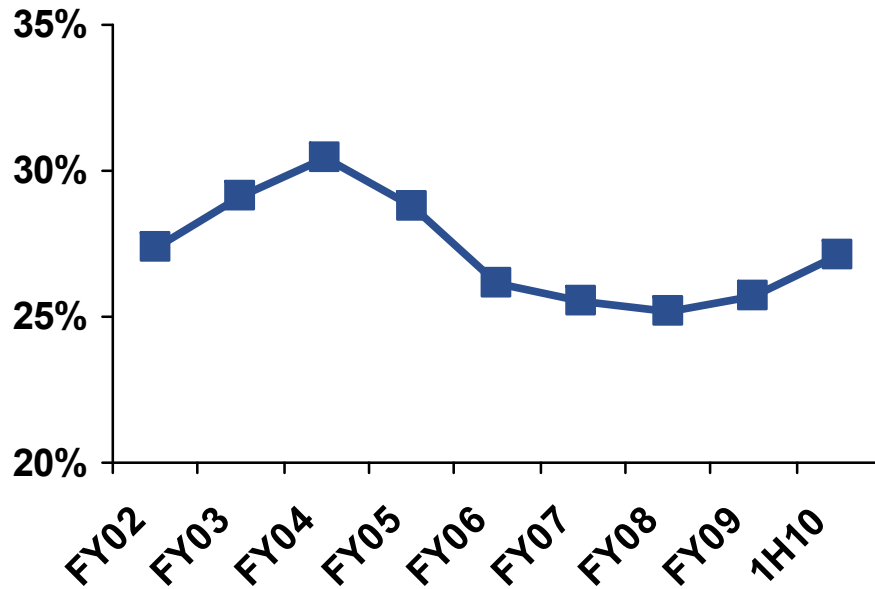




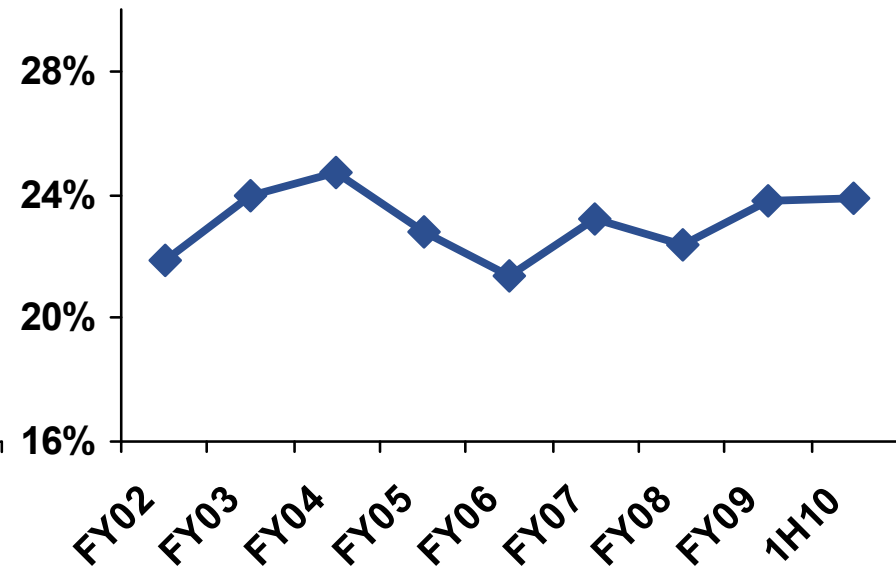
# CHEP EUROPE – PLANT OPERATIONS & TRANSPORTATION TRENDS



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



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



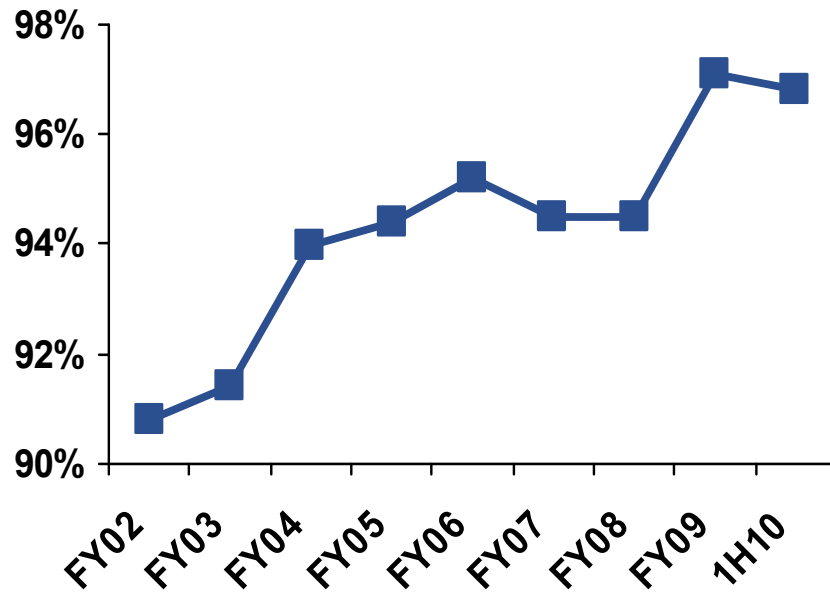
Major pallet sizes (B1210A and B1208A only)

# CHEP EUROPE – ASSET PRODUCTIVITY TRENDS



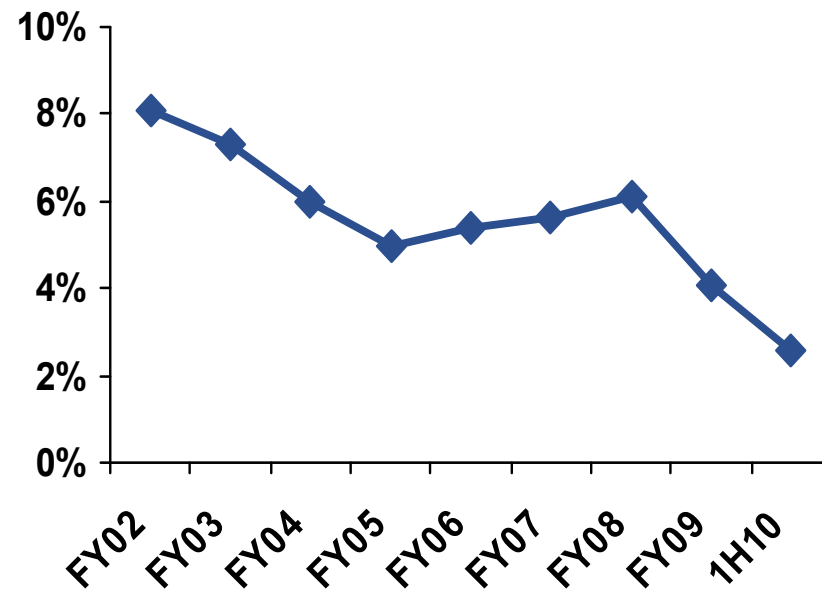
## Control ratio

(Returns + Recoveries / Total Issues)



## New equipment issue ratio

(Pallets purchased / Total issues)



Major pallet sizes (B1210A and B1208A only)

## CURRENCY MIX

US\$m	Total	1H10 Currency mix at Actual FX rates				
		USD	EUR	GBP	AUD	Other
Sales revenue	<b>2,086.1</b>	675.1	552.0	205.6	251.3	402.1
Statutory operating profit	<b>338.1</b>	53.1	98.1	39.0	44.4	103.5
Net debt <sup>1</sup>	<b>2,028.4</b>	1,543.3	427.2	(73.4)	84.2	47.1

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

## EFFECTIVE TAX RATE

Actual rates	1H10 US\$m	1H09 US\$m
Underlying profit before tax	286.2	405.6
Tax expense	77.9	135.1
<b>Tax rate on Underlying profit</b>	<b>27.2%</b>	<b>33.3%</b>
Adjustment for non-recurring items	3.3%	-
<b>Adjusted effective tax rate</b>	<b>30.5%</b>	<b>33.3%</b>

## CREDIT FACILITIES &amp; DEBT PROFILE

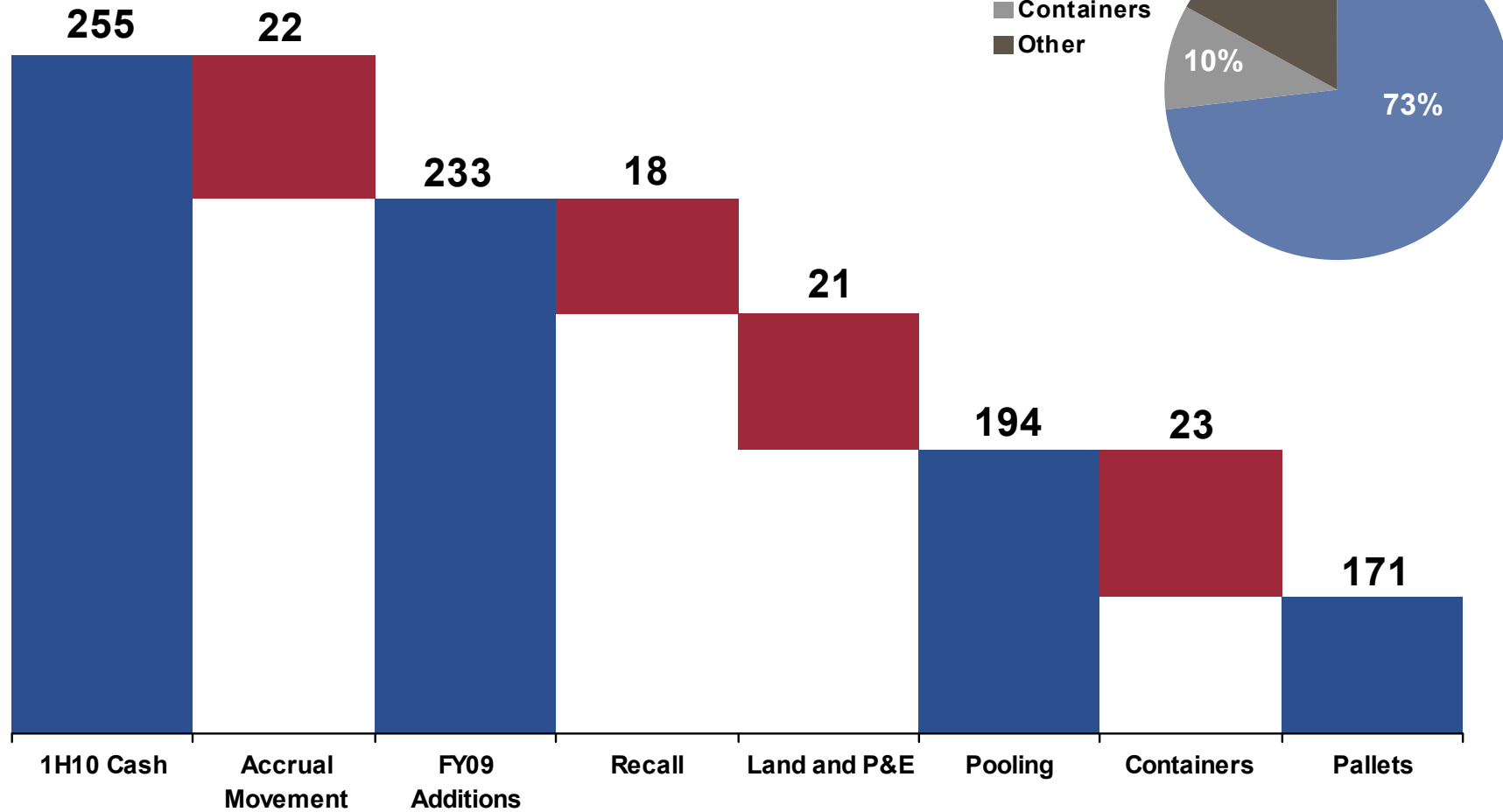
US\$ billion

Maturity	Type	Committed Facilities	Debt drawn	Headroom
< 12 months	Bank	0.6	-	0.6
1 – 2 years	Bank/USPP <sup>1</sup>	0.3	0.3	-
2 – 3 years	Bank	1.2	0.9	0.3
3 – 4 years	Bank	1.0	0.6	0.4
4 – 5 years	USPP <sup>1</sup>	0.2	0.2	-
> 5 years	USPP <sup>1</sup>	0.1	0.1	-
<b>Total</b>		<b>3.4</b>	<b>2.1</b>	<b>1.3</b>

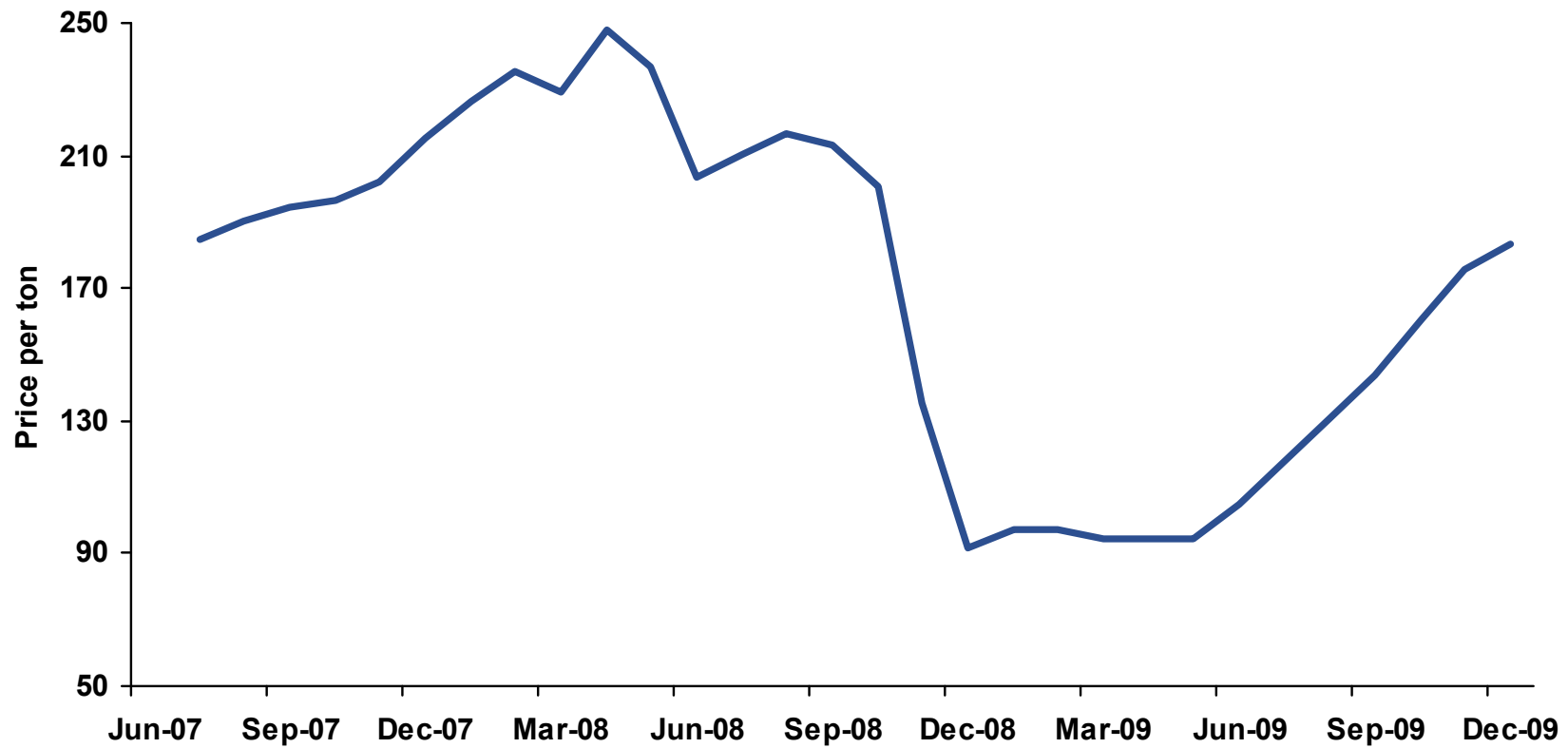
<sup>1</sup> US Private Placement

# CAPITAL EXPENDITURE

US\$m Actual rates



## US\$m Actual rates



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