Brambles

2008 Final Results

20 August 2008

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Mike Ihlein

Chief Executive Officer

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Solid year with success on growth initiatives

- Solid growth in sales and comparable operating profit
- CHEP – growth in all regions
- Recall - all regions doing well except North America
- Increasingly challenging economic environment
- Good progress on growth initiatives
- New Walmart supply chain model progressing
- New management team now in place

Strong foundations for growth

Sales	Operating profit[1]	Profit[1] margin	EPS
↑ 13% (6% constant)	↑ 12% (6% constant)	24% Unchanged	↑ 18% (10% constant)

- Sales up 13% to US$4.4 billion
- Comparable operating profit up 12% to US$1,047 million
- Margins maintained
- Comparable operating profit before the investment in quality (US$21m) and costs of Walmart transition (US$11m) up 16% to US$1,078m (9% constant)
- EPS up 18% to 44.5 US cents
- Strong cash flow from operations US$810 million
- BVA up US$24 million to US$516 million
- Final dividend of 17.5 Australian cents. Total annual dividend +13%

1 Comparable operating profit

Americas – Solid result, significant wins

CHEP

Pallet Volume	Sales	Operating profit	Profit margin
↑ 4% (USA ↑ 2%)	↑ 10% (8% constant)	↑ 7% (5% constant)	29% Unchanged

- Solid growth in Americas +4%
- USA reported volume +2% - slowing economy, weaker second half
  - +4% pre loss of low margin non-FMCG customer
- Strong growth in Latin America and Canada
- Net new customer wins in USA underpin future growth
  - > 400 new accounts (annualised sales > US$100m)
  - FY08 net new business impact sales +US$17m
  - Tyson Foods – largest win for years
- Stable margins even after Quality Investment (US$21m) and Walmart (US$11m)
- Operating profit up 12% (constant currency) before Quality and Walmart
- Key customers positive on quality improvements

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Walmart – developing a supply chain solution

- Working closely with Walmart
- A number of parties involved
- Confident – despite longer time frame
- Best overall supply chain solution
- Cost neutral outcome expected on ongoing basis
- One time transition costs
  - FY08 US$11m
  - FY09 approx. US$30m

EMEA – Improved operating performance

Pallet Volume	Sales	Operating profit	Profit margin
↑ 4% (Europe ↑ 3%)	↑ 13% (4% constant)	↑ 18% (9% constant)	24% (+1pp)

- 4% pallet volume growth – across all platforms
  - Pallets ↑, Auto ↑, RPC recovering
- Strong sales pipeline for customer wins
  - >2,000 new customer contracts (annualised sales > US$80m)
  - FY08 net new business impact sales +US$11m
  - Beverages, food, transporters, DIY
- Strong cost management via network efficiencies
- Customer initiatives – TEM, Managed Recovery
- Good progress in Germany and Poland
- Africa performed well

Asia-Pacific – Strong growth prospects

Pallet Volume	Sales	Operating profit	Profit margin
▲ 3%	▲ 20% (5% constant)	▲ 10% (-5% constant)	25% (-2pp)

- Solid sales growth
- Solid pallet revenue growth in Australia
- Good progress in China and India
  - China customer wins
  - India - First shipments to customers in June
  - US$13m of operating cost in China and India this year
  - US$52m investment in China and India to date (capex and operating cost)

Good organic growth - work to do on costs recall™

Carton Volume	Sales	Operating profit	Profit margin
↑ 8%	↑ 15% (7% constant)	↑ 8% (-2% constant)	17% (-1pp)

- Good growth in all regions, mainly Document Management Solutions and new customer wins
  - Europe and Asia double-digit sales growth
  - ANZ - competitive but winning
- Winning new customers – all regions
  - Good progress on Bank of America account – 1m + cartons at June 2008
- North America sales good but profit disappointing
  - 2H08 slower than expected
  - Higher costs
  - Focus on cost efficiency and business excellence
- All other regions delivered profit growth

Growth initiatives progressing well

- Wins in many key areas
  - ✓ USA – food service
  - ✓ USA – beverages
  - ✓ Germany
  - ✓ Poland
  - ✓ China
  - ✓ India
- Approximately US$35m invested so far

Investment for Growth - Americas

- Beverages (USA)
  - Non-carbonated beverage producer and alcohol producer converted from ‘white wood’ to CHEP
  - Value chain analysis for existing and potential customers
  - Discussions with other producers (alcohol and non-alcohol)
- Food service (USA)
  - Considerable success, business expected to expand significantly – Tyson, Sysco advocacy
- Opportunities in other segments in USA
  - Private label, office products, produce

Investment for growth – EMEA

- Germany
  - Strong pipeline – confident of lift in growth
  - Encouraging discussions with major retailers
  - Value chain analysis underpins customer prospecting
  - Country manager appointed, sales resources being added
- Poland
  - New contracts signed, others in negotiation – especially food and beverage
  - Country manager appointed, sales resources being added
- Advanced discussions with several pan European FMCG manufacturers
- Focus on automotive industry

Investment for growth – Asia-Pacific

China and India – customer wins increasing

- China wins include:
  - Pearl River Breweries
  - Nongfu Mineral Waters
  - ChangAn Ford Mazda
- Team of 100 in place in China and India to drive and support growth
- Long term growth prospects confirmed
- US$52m investment to date (capex and operating cost)

Quality and innovation in USA
Early positive results

- CHEP USA on track to invest US$100m over 2 years
- Initially 50% opex and 50% capex
- Likely to be higher percentage in opex
  - Fastest way to meet customer needs
- US$25m[1] spent in FY08
  - Service Centre based Plant Quality Representatives – 56 in place
  - Repairing higher % to higher standard
  - Automated Digital Inspection equipment – 5 installed to date
  - Blue Step Pallet during 2009

[1] US$21m operational expenditure and US$4m capital expenditure

Supply Chain Solutions

- LeanLogistics
  - Transport Management Services (TMS) offer in place
  - Freight Optimisation Service under development
- RFID as a CHEP service
  - High interest in “Track & Trace” solution
  - CHEP uniquely place
  - CHEP expanding capabilities

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Liz Doherty

Chief Financial Officer

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AIFRS	Actual FY08 US$m	Constant FY08 US$m	FY07 US$m	Growth %
Continuing operations				
Sales revenue	**4,358.6**	4,089.7	3,868.8	6
Comparable operating profit before quality and Walmart	**1,078.4**	1,017.7	932.8	9
Comparable operating profit	**1,046.9**	986.2	932.8	6
PBT	**897.4**	837.4	872.9	(4)
PAT	**626.5**	584.6	585.7	-
EPS (cents)	**44.5**	41.5	37.8	10
Cash flow from operations	**810.0**		838.3	
BVA (June 07 rates)	**516**		492	US$24m
ROCI	**24%**		25%	

Growth % calculated on US$ constant currency basis

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Solid sales growth

AIFRS	Actual FY08 US$m	Constant FY08 US$m	 FY07 US$m	 Growth %
CHEP Americas	**1,581.3**	1,547.5	1,438.2	**8**
CHEP EMEA	**1,642.1**	1,509.4	1,457.4	**4**
CHEP Asia-Pacific	**386.9**	339.8	322.8	**5**
CHEP	**3,610.3**	3,396.7	3,218.4	**6**
Recall	**748.3**	693.0	650.4	**7**
Continuing operations	**4,358.6**	**4,089.7**	**3,868.8**	**6**
Discontinued operations	**-**	-	252.1	
Total	**4,358.6**	**4,089.7**	**4,120.9**	

Growth % calculated on US$ constant currency basis

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Comparable operating profit growth

AIFRS	Actual FY08 US$m	Constant FY08 US$m	FY07 US$m	Growth %
CHEP Americas	**452.8**	441.0	421.3	**5**
CHEP EMEA	**396.5**	368.0	336.5	**9**
CHEP Asia-Pacific	**95.9**	83.4	87.4	**(5)**
CHEP	**945.2**	892.4	845.2	**6**
Recall	**128.4**	116.1	118.5	**(2)**
Continuing (pre Brambles HQ)	**1,073.6**	**1,008.5**	**963.7**	**5**
Unallocated Brambles HQ costs	**(26.7)**	(22.3)	(30.9)	**28**
Continuing operations	**1,046.9**	**986.2**	**932.8**	**6**
Discontinued operations	**-**	-	40.6	
Total	**1,046.9**	**986.2**	**973.4**	

Growth % calculated on US$ constant currency basis

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Americas –Volume / mix improvement

US$m

All numbers are calculated at constant currency

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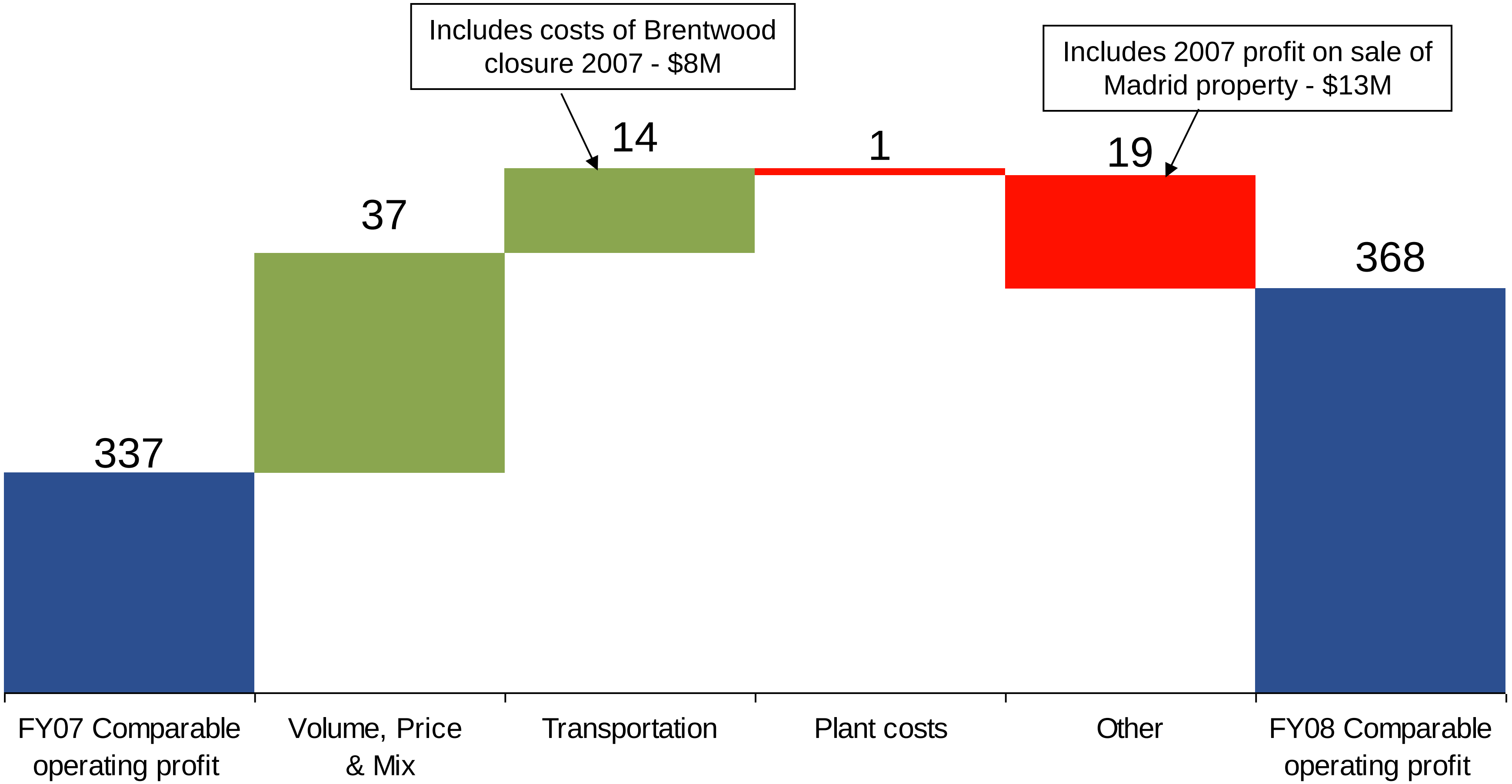
EMEA – Continuing improvement

US$m



All numbers are calculated at constant currency

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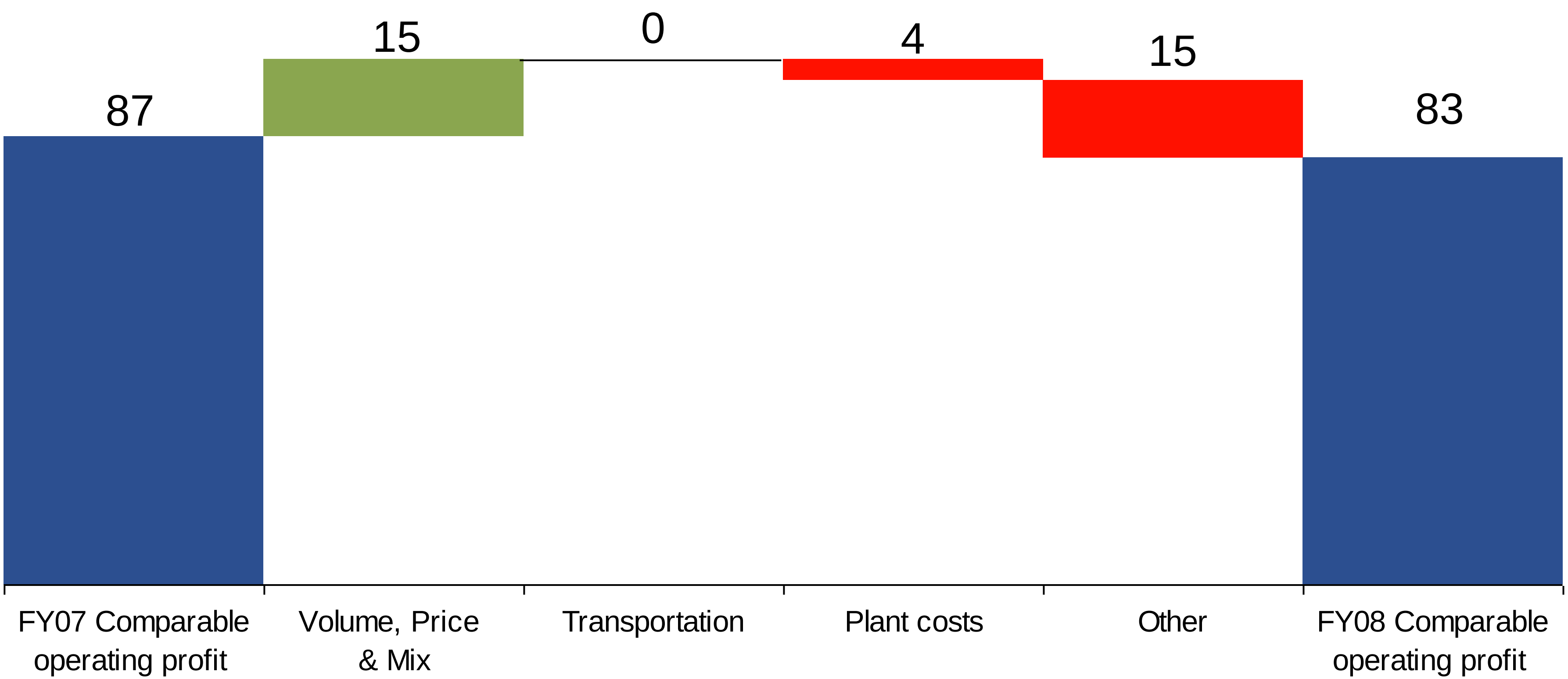
Asia Pacific – Investment for growth

US$m



All numbers are calculated at constant currency

Good sales growth in all regions

recall™

AIFRS	Actual FY08 US$m	Constant FY08 US$m	Constant FY07 US$m	Constant Growth %
Americas	**333.3**	321.9	307.7	**5**
Europe	**202.2**	183.1	167.1	**10**
RoW	**212.8**	188.0	175.6	**7**
Sales revenue	**748.3**	**693.0**	**650.4**	**7**
Comparable operating profit	**128.4**	116.1	118.5	**(2)**
Profit margin (%)	**17**	17	18	

Growth % calculated on US$ constant currency basis

Strong cash flow generation

AIFRS	Actual FY08 US$m	FY07 US$m	Change US$m
Comparable operating profit	**1,046.9**	932.8	114.1
Depreciation and amortisation	**452.1**	398.3	53.8
EBITDA	**1,499.0**	1,331.1	167.9
Capital expenditure	**(869.4)**	(648.5)	(220.9)
Proceeds from disposals	**133.8**	128.3	5.5
Working capital movement	**41.4**	(8.7)	50.1
Irrecoverable pooling equipment provision	**91.2**	90.2	1.0
Provisions / Other	**(86.0)**	(54.1)	(31.9)
Cash flow from continuing operations	**810.0**	838.3	(28.3)
Discontinued operations	**-**	37.2	(37.2)
Special items	**(27.7)**	(149.0)	121.3
Cash flow from operations after special items	**782.3**	726.5	55.8
Financing costs and tax	**(369.7)**	(236.3)	(133.4)
Free cash flow	**412.6**	490.2	(77.6)

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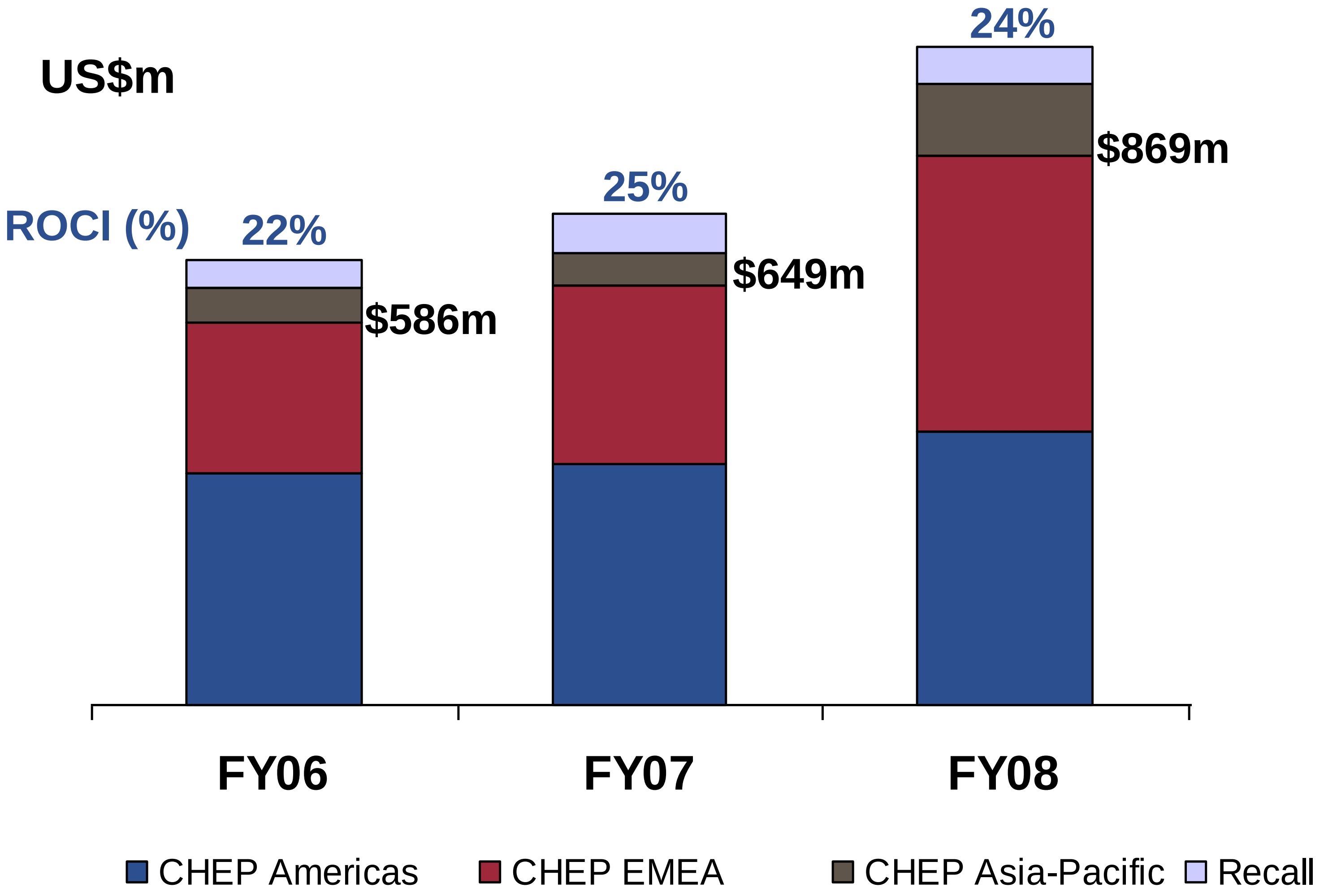
Capital expenditure to support growth



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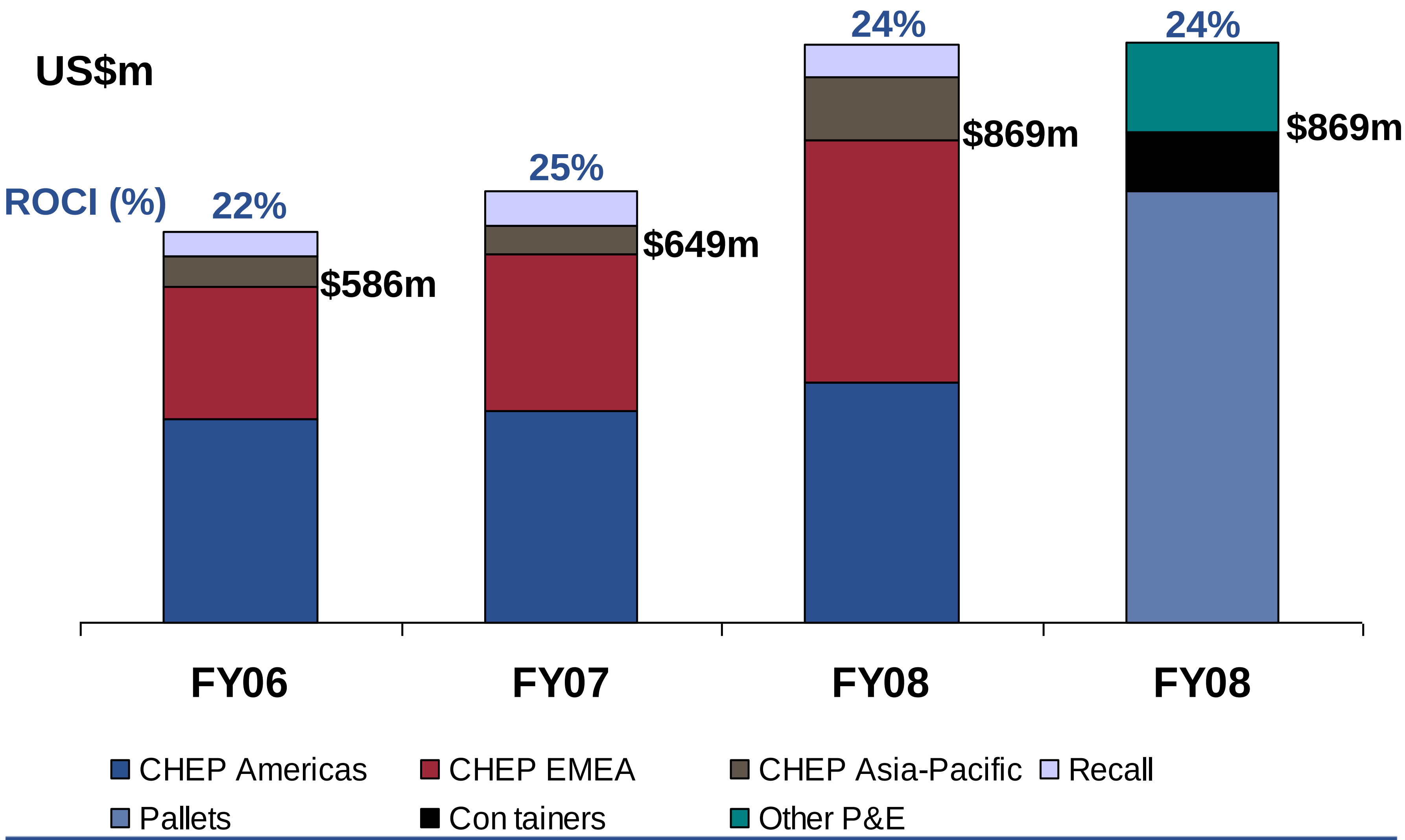
Capital expenditure to support growth



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Brambles Value Added

AIFRS, June 07 rates	**FY08 US$m**	**FY07 US$m**	**Growth US$m**
CHEP Americas	**269**	263	6
CHEP EMEA	**200**	176	24
CHEP Asia-Pacific	**55**	60	(5)
CHEP	**524**	499	25
Recall	**6**	16	(10)
Continuing (pre Brambles HQ)	**530**	**515**	**15**
Unallocated Brambles HQ costs	**(14)**	(23)	9
Continuing operations	**516**	**492**	**24**

Effective tax rate

AIFRS	Actual FY08 US$m	Actual FY07 US$m
PBT	897.4	872.9
Tax	270.9	287.2
Effective tax rate % of PBT	**30.2%**	**32.9%**
Adjustment for non-recurring items	2.9%	1.2%
Underlying effective tax rate	**33.1%**	**34.1%**

Financial ratios

AIFRS, Actual rates	June 08	June 07	Covenants
Closing Net Debt (US$m)	**2,426.2**	**1,996.9**	
Average Net Debt (US$m)	**2,173.5**	**895.9**	
Net Finance Cost (US$m)	**149.5**	**59.9**	
Interest cover (x)			
• Comparable operating profit	**7.0**	**16.3**	
• EBITDA	**10.0**	**22.9**	x 3.5 (min)
Net Debt / EBITDA (x)	**1.6**	**1.5**	x 3.5 (max)
Gearing (%)	**61.1**	**58.4**	
(Net Debt/Net Debt & Equity)			

Ratios remain consistent with a solid investment grade credit rating

Credit facilities and liquidity

- Gross debt at 30 June 2008 - $2.5bn
- Total committed facilities - $4.1bn
  - Includes $0.2bn 3 year facility signed since 30 June 2008
- $3.0bn of bank facilities due for renewal in over 2 years (November 2010)
  - to be addressed as part of ongoing refinancing
- On-market buy-back programme suspended

Outlook

- Another year of sales revenue and profit growth in 2009
  - Sales revenue growth in all business units
  - Profit growth in all business units except Asia-Pacific due to China/ India
- Excellent progress in growth initiatives
- FMCG sector generally less volatile
- More difficult consumer environment has potential to dampen organic growth in short term
- Confident of Walmart agreement but will have non-recurring transition costs
- Brambles well positioned for medium to long term growth

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