

**Brambles**

24 June 2008

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

*Via electronic lodgement*

Dear Sir,

**BRAMBLES DELIVERS SOLID PERFORMANCE AND  
WINS SIGNIFICANT NEW BUSINESS**

Attached is an announcement relating to the above.

Yours faithfully  
**Brambles Limited**

**Robert Gerrard**  
Group Company Secretary

Encl.

**BRAMBLES DELIVERS SOLID PERFORMANCE  
AND WINS SIGNIFICANT NEW BUSINESS**

Brambles has delivered a solid performance for the 11 months to the end of May 2008 with sales 13% higher than the prior corresponding period (6% in constant currency), driven mainly by volume growth across all regions of CHEP and Recall. This has been achieved in what is a challenging economic environment in many markets.

Brambles continues to win significant new business in all markets and this will contribute strongly to volume in 2009 and beyond. In the USA and Europe, 2,400 new contracts have been signed in the 11 month period, representing more than US\$180 million in annualised sales.

Excellent progress is being made in a number of strategically important growth areas for CHEP, particularly Food Service and Beverages in the USA, expansion in Germany and Poland and the emerging markets of China and India.

Of particular significance is CHEP USA's expansion of business with Tyson Foods, the world's largest processor and marketer of chicken, beef and pork. This is the largest customer win by CHEP USA for several years and will make Tyson Foods one of CHEP USA's largest customers.

CHEP USA is making good progress on its US\$100 million program of investment in quality and innovation. At least US\$20 million of operating expenditure will be incurred in relation to this program in the full year ending 30 June 2008.

Brambles' underlying profit growth for the full year – that is, before the non-recurring US\$13 million profit on sale of a Madrid property in 2007 – is expected to be solid, reflecting the strength of Brambles' business models.

Reported sales and profit for the full year will also benefit significantly from the strength of most currencies versus the US dollar.

Brambles' balance sheet remains strong with committed credit facilities of US\$4.0 billion of which US\$1.4 billion is unutilised. No major refinancing is required before 2010.

**PERFORMANCE FOR 11 MONTHS TO END MAY 2008**

- CHEP performed well as compared to the prior corresponding period, with solid growth in both sales and profit in constant currency:
  - Americas delivered solid sales growth of 10% (8% in constant currency) and, before the investment in quality and innovation, strong profit growth;
  - Europe had sales growth of 12% (2% in constant currency), with strong underlying profit growth (before the profit on sale of the Madrid property in 2007); and
  - Rest of World delivered solid growth in both sales (up 18% or 7% in constant currency) and profit.
- Recall had solid sales growth of 16% versus the prior corresponding period (7% in constant currency) with volume growth across all regions.

- Cash flow generation continues to be strong, notwithstanding significant investments to drive growth in the USA, Europe, China, India and Australia.
- Since November 2007, Brambles has bought back 42.4 million shares at an average price of A\$10.07 as part of its on-market share buy-back program.

## **CHEP AMERICAS**

Sales for the 11 months to the end of May 2008 were 10% higher than the prior corresponding period (8% in constant currency) although volume growth for the Americas was lower than that achieved in the first half due mainly to the weaker consumer environment in the USA.

A number of recent and significant customer wins will contribute strongly to volume in 2009 and beyond. In the USA, over 400 new contracts were signed in the 11 months to the end of May 2008, representing annualised sales of over US\$100 million.

In addition to the expansion of business with Tyson Foods mentioned above, CHEP USA recently signed an agreement expanding its relationship with SYSCO, North America's leading marketer and distributor in Food Service. Pallet shipments to Tyson Foods commenced recently and, effective 1 July 2008, SYSCO will begin a strong advocacy program to convert suppliers' shipments to CHEP.

## **CHEP EUROPE**

Sales for the 11 months to the end of May 2008 were 12% higher than the prior corresponding period (2% in constant currency), with pallet volume growth broadly in line with the first half. As reported previously, CHEP Europe's sales growth in 2008 has been affected by its decision to withdraw from a significant unprofitable Reusable Plastic Container (RPC) contract in 2007.

The sales pipeline for CHEP Europe continues to strengthen, with more than 2,000 new contracts signed in the 11 months to the end of May, representing annualised sales of more than US\$80 million. This includes 200 new contracts in Germany and strong growth in Poland. These are expected to contribute strongly to volume in Europe in 2009 and future years.

## **CHEP REST OF WORLD**

Sales for the 11 months to the end of May 2008 were 18% higher than the prior corresponding period (7% in constant currency), with all countries performing well. The previously announced six-year RPC service agreement with Woolworths Limited is expected to add approximately US\$90 million in aggregate sales over the next six years.

CHEP China is progressing well, with new customer wins including Pearl River Breweries, the largest brewery in Southern China, and Nongfu Spring, China's largest mineral water producer. CHEP China has also signed its first major automotive contract, a three-year agreement with ChangAn Ford Mazda Automotive Nanjing (CFMA).

CHEP's progress in India is also encouraging. Pallet trials with two major manufacturers in the FMCG sector have been completed successfully and larger scale pilot programs in both pallets and automotive containers are being implemented. Pallet shipments to CHEP's first customer in India took place recently.

## **RECALL**

Sales for the 11 months to the end of May 2008 grew by 16% over the prior corresponding period (7% in constant currency), with good sales performance across all regions. This was predominantly due to solid volume growth, mainly in Document Management Solutions, and new customer wins in all regions.

All Recall regions are achieving strong profit growth except for North America, where performance has been affected by business restructuring and higher costs. A major focus in North America on cost efficiency and business excellence has resulted in a number of programs being implemented which are expected to deliver improved results in 2009.

## **WAL-MART USA**

CHEP and Wal-Mart are in constructive discussions regarding Wal-Mart's recent decision to modify its reverse logistics network in the USA. Good progress has been made and Brambles is confident that it will shortly reach agreement with Wal-Mart on a positive outcome for future ongoing arrangements that will also maintain the efficiency of the overall supply chain. Wal-Mart remains an advocate of pallet pooling and both CHEP and Wal-Mart support the supply chain benefits of Total Pallet Management. An announcement on the final outcome will be made as soon as discussions are concluded.

## **FUEL**

For the 11 months to the end of May, CHEP's transportation costs as a proportion of revenue were broadly in line with the prior corresponding period. CHEP is continuing to implement a range of initiatives to minimise both its own and its customers' transport costs. This includes optimising transport networks and using "on-line" auctions of its transport requirements. The recent acquisition of LeanLogistics, a leading provider of technology-based transport and supply chain solutions in the USA, will also enable CHEP to provide a new transport optimisation service to both existing and new customers.

Brambles also has various contractual arrangements with customers which assist in the recovery of costs, including fuel.

## **ANNUAL RESULTS**

Brambles' results for the year ending 30 June 2008 will be released on 20 August 2008 prior to the opening of trading on the Australian Securities Exchange.

Brambles will report its annual results in line with the new organisation structure – CHEP Americas; CHEP Europe, Middle East & Africa (EMEA); CHEP Asia-Pacific; and Recall. Historical data will be provided to allow comparisons with previous performance.

Notes:

- (a) Relative sales and profit performances in this statement are based on actual and constant currency comparisons. Constant currency is calculated by translating foreign currency results at the exchange rates applicable during the previous year. Relative operating cash flow performance is based on exchange rates applicable during each year.
- (b) US\$ figures (US\$ being Brambles' reporting currency) are quoted at actual exchange rates.
- (c) References to profit are to profit before finance costs, tax and special items.

**For further information, contact:**

**Michael Sharp, Vice President Corporate Affairs**

**+61 (0)2 9256 5255**

**+61 (0)439 470 145 (mobile)**

**Brambles is globally headquartered in Australia**