



21 February 2008

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

*Via electronic lodgement*

Dear Sir,

**Analyst Briefing - Slide presentation on results for the half-year ended 31 December 2007**

Attached are copies of slides to be presented by Brambles' Chief Executive Officer, Mr Michael Ihlein, and Chief Financial Officer, Ms Liz Doherty, at an analyst briefing to be held in Sydney later today.

The slides and webcast of the briefing will be available on the Brambles website at [www.brambles.com](http://www.brambles.com).

Yours faithfully  
**Brambles Limited**

**Robert Gerrard**  
Company Secretary

# Brambles

2008 Interim Results

21 February 2008



2008 Interim Results

**Mike Ihlein**  
Chief Executive Officer

Brambles

## Successful Half With Progress On Growth

- Solid Sales growth, strong growth in Operating Profit and EPS
- Good performance from CHEP – led by organic volume growth
- All regions in Recall doing well except North America
- Encouraging progress on new growth for CHEP
  - Germany
  - Poland
  - US beverages and food service
  - India expansion
- Plan to invest up to \$750 million over next 3 years in new growth

## Successful Half With Progress On Growth

- Major focus on ease of doing business with customers
  - Simplified invoicing
  - Single fee (still underpinned by ABPA)
  - Electronic invoicing and movement declaration
  - On-line account reconciliation
- Quality and Innovation investment by CHEP USA
  - Meet increasing customer requirements for automation
  - >\$100m over 2 years (capex and operating cost)
- New team in place

## Results Confirm Strong Foundations for Growth

<b>Sales</b> ↑ 13% (6% constant)	<b>Operating profit</b> ↑ 19% (12% constant)	<b>Profit margin</b> 24% (+2pp)	<b>EPS</b> ↑ 25% (17% constant)
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- Sales up 13% to US\$2.1 billion
  - Record first half sales for all CHEP regions and Recall
- Comparable operating profit up 19% to US\$501 million
- EPS up 25% to 20.9 US cents
- BVA up US\$41 million to US\$248 million
- Interim dividend of 17.0 Australian cents, effective increase of 26%

## CHEP Americas – Volume Growth Continues

<b>Pallet Volume</b> ↑ 6% (USA ↑ 6%)	<b>Sales</b> ↑ 11% (9% constant)	<b>Operating profit</b> ↑ 18% (15% constant)	<b>Profit margin</b> 29% (+1pp)
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- Strong volume growth in USA, Latin America and Canada
- Solid demand for grocery products; produce and raw materials strong
- New customer wins underpin growth – over 200 new accounts plus lane expansion in USA (annualised sales >US\$50m)
- Customer satisfaction improving
- Customer initiatives support volume - DTPM, ETPM (12 sites), Quality

## CHEP Europe – Pallet Volume Growth Increasing

Pallet Volume	Sales	Operating profit	Profit margin
↑ 4%	↑ 11% (2% constant)	↑ 27% (17% constant)	23% (+3pp)

- 4% pallet volume growth – across all platforms
- Strong growth in display pallets – broader opportunity
- Strong sales pipeline for customer wins
  - >1,000 new customer contracts (annualised sales >US\$30m)
  - Segments include beverages, food, transporters, DIY
- Transporters pass on white wood exchange costs: €1-2 per exchange
- Improved customer satisfaction
- Customer initiatives – TEM, Managed Recovery (160 Emitters in UK)
- Responsibility Transfer for Ds continues

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## CHEP Rest of World – Australia, NZ, Africa, China Supporting Growth

Pallet Volume	Sales	Operating profit	Profit margin
↑ 3%	↑ 18% (7% constant)	↑ 13% (3% constant)	29% (-1pp)

- Africa volume strong, China “on the move”
- Solid sales and profit growth
- Solid pallet revenue growth in Australia
- Six year RPC contract with Woolworths - largest ever for region
- New investments for growth
  - China
  - Information systems in Australia and New Zealand
  - India

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## Recall – Strong Organic Growth

<b>Carton Volume</b> ↑ 5% (YTD annualised)	<b>Sales</b> ↑ 16% (8% constant)	<b>Operating profit</b> ↑ 11% (1% constant)	<b>Profit margin</b> 15% (-1pp)
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- Winning new customers
  - Banking and insurance verticals (USA and Europe)
  - Bank of America commenced – 1m + cartons by June 2007
- All regions delivered very good sales growth
  - Europe and Asia delivering double-digit sales growth
  - ANZ retaining business in a competitive environment
- North America sales good but profit disappointing
  - Business restructuring and higher costs
  - Focus on cost efficiency and business excellence next 12 months
  - Mikael Norin now President, Recall Americas (ex Recall Europe)
- All other regions delivered strong profit growth

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## Organic Growth Drives Results In First Half

- Organic growth in all regions of CHEP and Recall
- Organic “Plus”
  - Beverages (USA)
    - Important wins: non-carbonated beverages and major wine producer converted from ‘white wood’ to CHEP
    - Value chain analysis for existing and potential customers
    - In discussion with other producers (alcoholic and non-alcoholic)
  - Food service (USA)
    - Considerable success, business expected to expand significantly
  - Encouraging developments in other segments in USA
    - Private label, office products, produce

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## Significant Progress In Core Expansion

- Germany
  - Contracts with two major pan-European grocery manufacturers
  - Encouraging discussions with major retailers
  - Value chain analysis underpins customer prospecting
  - Country manager appointed, sales resources being added
- Central and Eastern Europe
  - Poland: new contracts signed, others in negotiation – especially food and beverage
  - Country manager appointed, sales resources being added
- Central America
  - Produce export to USA

## China – Customer Wins Accelerating

- New customer wins including:
  - Tsing Tao Breweries
  - Nestlé Waters – pallets downstream to distributors
  - Asia Pacific Breweries
- Team of 60 in place to drive and support growth
- China growth a major focus over next 12 months
- US\$25m investment to date (capex and operating cost)

## India – CHEP's Next Major New Country

- Population 1.2 billion
- GDP Growth 9% p.a.
- Key sectors growing rapidly
  - FMCG – 10%+ p.a. to 2015 – US\$33 billion market
  - Automotive – 30%+ p.a. to 2015 – 4 million passenger vehicles
- Significant opportunity (US\$100 million revenue) next 5 years+



## India – CHEP's Next Major New Country

- Customers highly engaged - CHEP to help drive modern supply chain practices
- Trials with several potential major customers
- Operations to commence in coming months
- Standard timber pallets (1210s) and plastic automotive containers
- Senior team soon to be announced
- Expands presence in key Asian markets



## Additional Investment For Growth

- Additional investment of up to US\$750 million over the next three years (not including acquisitions)
- Expected to generate annualised sales of approximately US\$600 million
- Balance required: investment for growth and capital management
  - US\$3.5 billion in capital management initiatives since November 2005
  - 326 million shares bought back since November 2005

## Investment in Quality and Innovation

- CHEP is the industry leader in innovation, technology
- CHEP USA investing US\$100 million over next 2 years
- Service Centre based Plant Quality Representatives – increasing automation needs of customers
- Automated digital pallet inspection equipment
- Launch of Blue Step Pallet
  - better protection for customers' products
  - reduced damage to pallets
- RFID project for 'track and trace' solutions in containers



## 2008 Interim Results

**Liz Doherty**  
Chief Financial Officer

Brambles

### Strong profit and EPS growth

AIFRS	Actual	Constant		Growth %
	1H08 US\$m	1H08 US\$m	1H07 US\$m	
<b>Continuing operations</b>				
Sales revenue	2,110.2	1,988.8	1,872.7	6
Comparable operating profit	500.5	472.3	421.2	12
PBT	429.6	401.7	413.1	(3)
PAT	296.7	277.4	270.6	3
EPS (cents)	20.9	19.6	16.7	17
Cash flow from operations	265.7		311.0	
BVA (June 07 rates)	248		207	\$41m
ROCI	24%		23%	

Growth % calculated on US\$ constant currency basis

## Solid sales growth

AIFRS	Actual	Constant		Growth %
	1H08 US\$m	1H08 US\$m	1H07 US\$m	
CHEP Americas	771.9	757.4	692.8	9
CHEP Europe	741.3	682.3	669.8	2
CHEP RoW	239.3	215.7	202.0	7
<b>CHEP</b>	<b>1,752.5</b>	<b>1,655.4</b>	<b>1,564.6</b>	<b>6</b>
<b>Recall</b>	<b>357.7</b>	<b>333.4</b>	<b>308.1</b>	<b>8</b>
<b>Continuing operations</b>	<b>2,110.2</b>	<b>1,988.8</b>	<b>1,872.7</b>	<b>6</b>
Discontinued operations	-	-	252.1	
<b>Total</b>	<b>2,110.2</b>	<b>1,988.8</b>	<b>2,124.8</b>	

Growth % calculated on US\$ constant currency basis

## Comparable operating profit growth

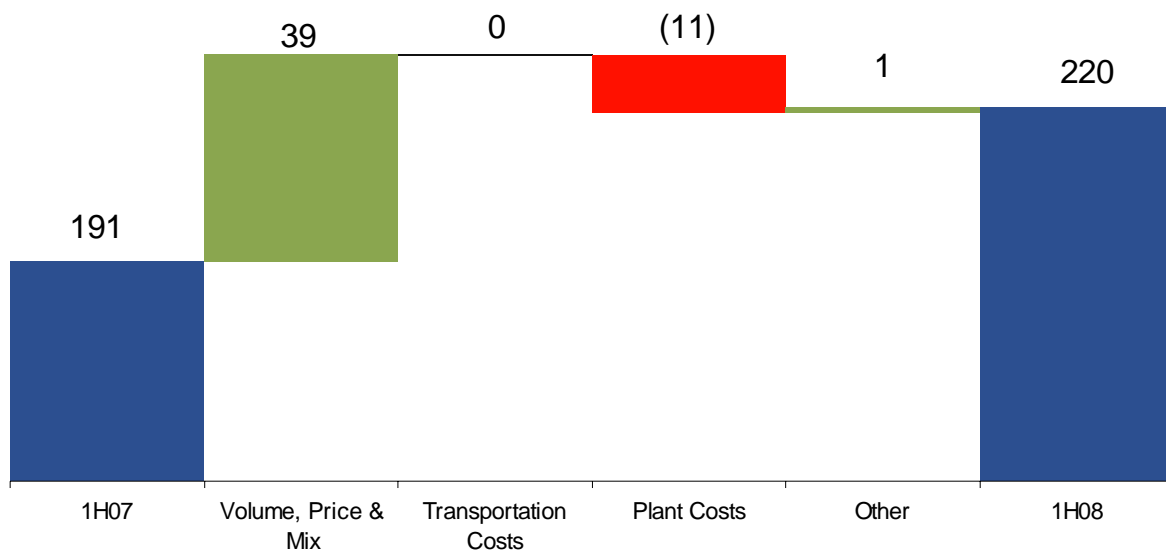
AIFRS	Actual	Constant		Growth %
	1H08 US\$m	1H08 US\$m	1H07 US\$m	
CHEP Americas	225.1	219.9	190.9	15
CHEP Europe	168.1	154.8	132.7	17
CHEP RoW	69.9	63.3	61.6	3
<b>CHEP</b>	<b>463.1</b>	<b>438.0</b>	<b>385.2</b>	<b>14</b>
<b>Recall</b>	<b>55.4</b>	<b>50.5</b>	<b>50.0</b>	<b>1</b>
<b>Continuing (pre Brambles HQ)</b>	<b>518.5</b>	<b>488.5</b>	<b>435.2</b>	<b>12</b>
Unallocated Brambles HQ costs	(18.0)	(16.2)	(14.0)	(16)
<b>Continuing operations</b>	<b>500.5</b>	<b>472.3</b>	<b>421.2</b>	<b>12</b>
Discontinued operations	-	-	40.6	
<b>Total</b>	<b>500.5</b>	<b>472.3</b>	<b>461.8</b>	

Growth % calculated on US\$ constant currency basis

## Americas – very strong performance



US\$m

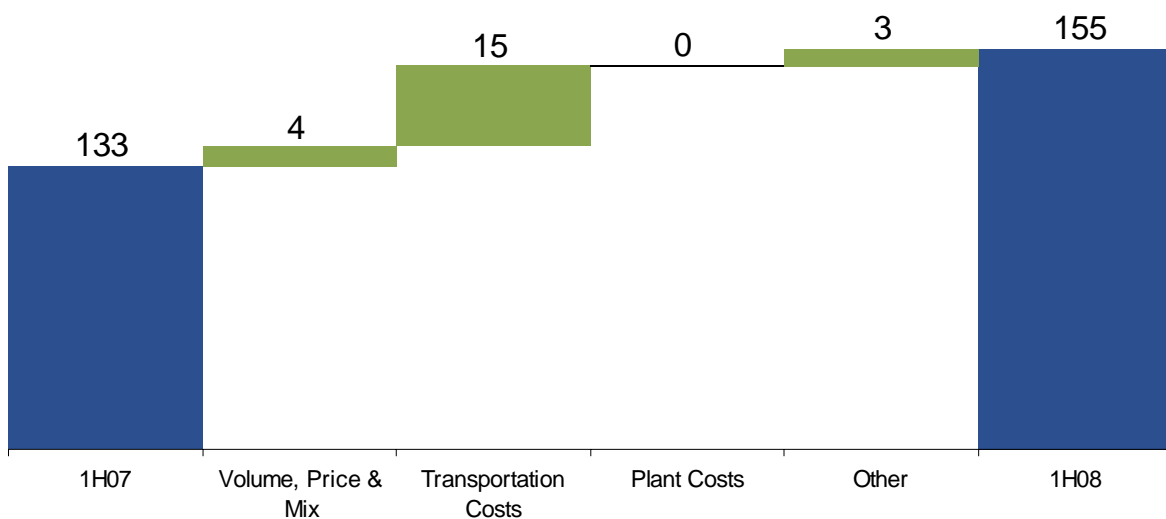


All numbers are calculated at constant currency

## Europe – continuing improvement



US\$m



All numbers are calculated at constant currency

## Good sales growth in all regions

recall™

AIFRS	Actual	Constant		Growth %
	1H08 US\$m	1H08 US\$m	1H07 US\$m	
Americas	162.3	157.0	146.5	7
Europe	93.3	85.7	77.3	11
RoW	102.1	90.7	84.3	8
<b>Sales revenue</b>	<b>357.7</b>	<b>333.4</b>	<b>308.1</b>	<b>8</b>
Comparable operating profit	55.4	50.5	50.0	1
Profit margin (%)	15	15	16	

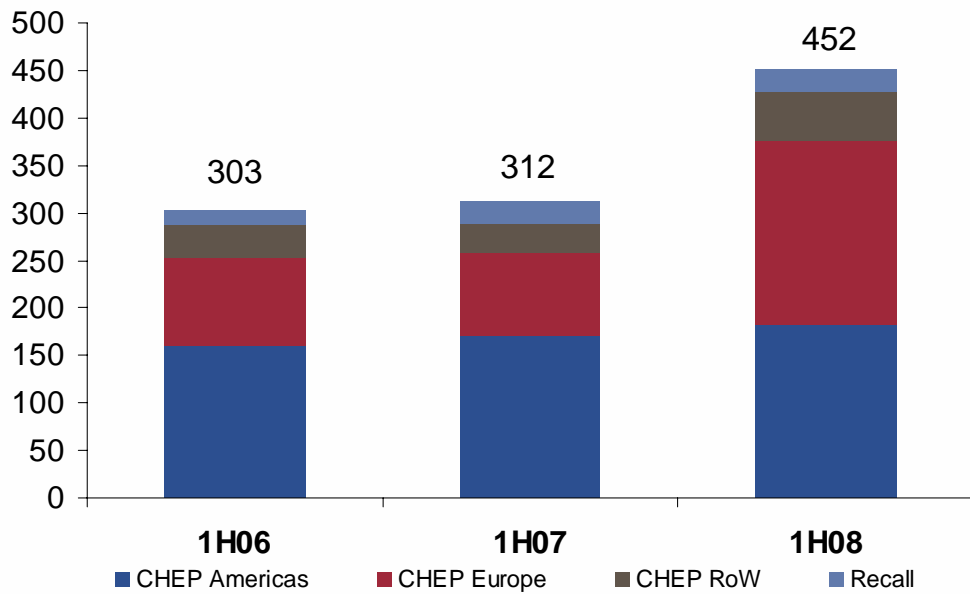
Growth % calculated on US\$ constant currency basis

## Strong cash flow generation

AIFRS	Actual		
	1H08 US\$m	1H07 US\$m	Change US\$m
Comparable operating profit	500.5	421.2	79.3
Depreciation and amortisation	219.4	197.2	22.2
<b>EBITDA</b>	<b>719.9</b>	618.4	101.5
Capital expenditure	(451.8)	(312.4)	(139.4)
Proceeds from disposals	65.1	37.8	27.3
Working capital movement	(75.0)	(54.2)	(20.8)
Irrecoverable pooling equipment provision	44.7	50.5	(5.8)
Provisions / Other	(37.2)	(29.1)	(8.1)
<b>Cash flow from continuing operations</b>	<b>265.7</b>	311.0	(45.3)
Discontinued operations	-	33.1	(33.1)
Special items	(16.2)	(90.7)	74.5
<b>Cash flow from operations after special items</b>	<b>249.5</b>	253.4	(3.9)
Financing costs and tax	(146.9)	(135.6)	(11.3)
<b>Free cash flow</b>	<b>102.6</b>	117.8	(15.2)

# Capital expenditure to support growth

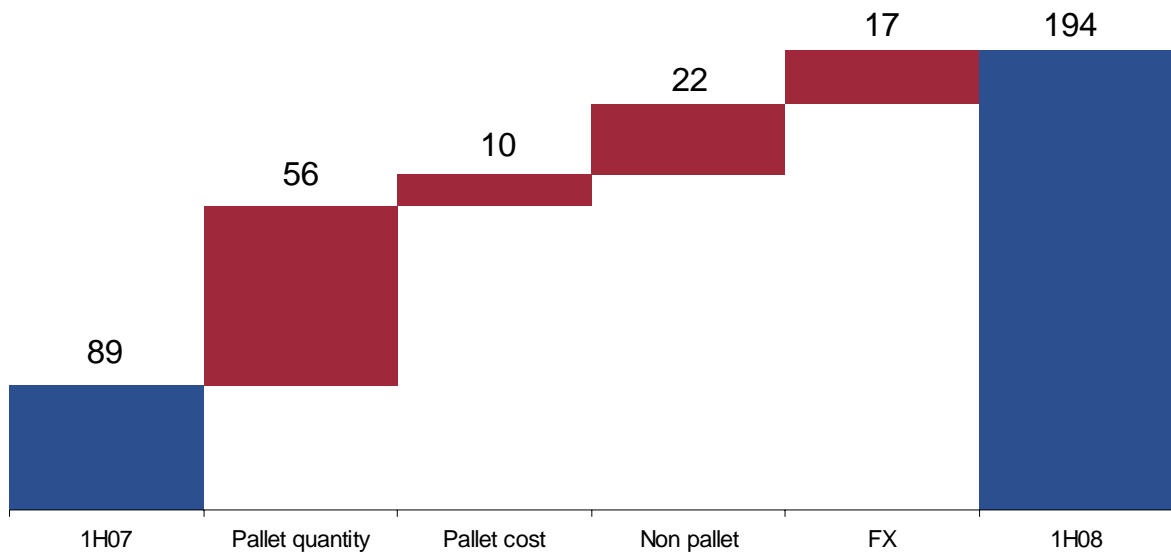
US\$m



# Europe – capital expenditure



US\$m



## Brambles Value Added

AIFRS, June 07 rates	1H08 US\$m	1H07 US\$m	Growth US\$m
CHEP Americas	137	114	23
CHEP Europe	78	57	21
CHEP ROW	47	46	1
CHEP	262	217	45
Recall	(2)	1	(3)
<b>Continuing (pre Brambles HQ)</b>	<b>260</b>	<b>218</b>	<b>42</b>
Unallocated Brambles HQ costs	(12)	(11)	(1)
<b>Total continuing operations</b>	<b>248</b>	<b>207</b>	<b>41</b>

## Effective tax rate

AIFRS	Actual 1H08 US\$m	Actual 1H07 US\$m
PBTA	429.6	413.1
Tax	132.9	142.5
<b>Effective tax rate % of PBTA</b>	<b>30.9%</b>	<b>34.5%</b>
Adjustment for one-offs	1.9%	-
<b>Underlying effective tax rate</b>	<b>32.8%</b>	<b>34.5%</b>

## Financial ratios

AIFRS, Actual rates	Dec 07	Dec 06	Facilities
<b>Closing Net Debt (US\$m)</b>	<b>2,151.9</b>	<b>927.4</b>	4,013.0
Interest cover (x)			
▪ Comparable operating profit	<b>7.1</b>	<b>57.0</b>	
▪ EBITDA	<b>10.2</b>	<b>81.4</b>	x 3.5 (min)
<b>Net Debt / EBITDA (x)</b>	<b>1.5</b>	<b>0.7</b>	x 3.5 (max)
<b>Gearing (%)</b>	<b>57.6</b>	<b>27.7</b>	
(Net Debt/Net Debt & Equity)			

## Outlook for 2008

- The Outlook remains positive with solid sales and profit growth expected
- CHEP is expected to continue to perform well in sales and profit
- Recall is expected to grow sales, improve profit growth in second half of the year
- Investment to continue in second half and beyond
- Share buy-backs to continue as opportunities arise
- Objective remains to deliver double digit sustainable revenue growth in the medium to long term



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# Brambles

2008 Interim Results

21 February 2008



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### Appendix 1a

## Glossary of terms & measures

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

<b>Sales revenue</b>	Excludes revenues of associates and non trading revenue.
<b>Comparable operating profit</b>	Profit before finance costs, tax and special items. Includes PAT of associates.
<b>PBT</b>	Profit before tax and special items. Includes PAT of associates.
<b>PAT</b>	Profit after tax before special items, and minority interests.
<b>EPS</b>	Profit after tax, minority interests and special items, divided by shares in issue.
<b>DPS</b>	Dividends declared in the period divided by shares in issue.
<b>Shares in issue</b>	Based on weighted average shares in issue of 1,417.1m in 1H08; 1,620.7m in 1H07.
<b>Constant currency</b>	Translation of both current period and comparable period results into US dollars at the actual monthly exchange rates applicable for the comparable period.

## 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>	Based upon conversion of local currency into US dollars using the average of the difference between buy and sell rates applicable at each month end.
<b>Continuing operations</b>	Refers to CHEP, Recall and Brambles HQ.
<b>Discontinued operations</b>	All businesses which have been or are expected to be divested.
<b>Unallocated Brambles HQ costs</b>	Head office costs which are not allocated back to the divisions. These are excluded from the segmental analyses.
<b>Associates</b>	50% or less equity, minimum 20%.
<b>Special items</b>	Special items comprise impairments, exceptional items, fair value adjustments and amortisation of acquired non-goodwill intangible assets (other than software). Exceptional items are items of income or expense which are considered to be outside the ordinary course of business and are, either individually or in aggregate, material to Brambles or to the relevant business segment.
<b>Unification</b>	Refers to the acquisition by Brambles Limited of all Brambles Industries Limited and Brambles Industries plc shares under separate schemes of arrangement on 4 December 2006.

## Glossary of terms & measures

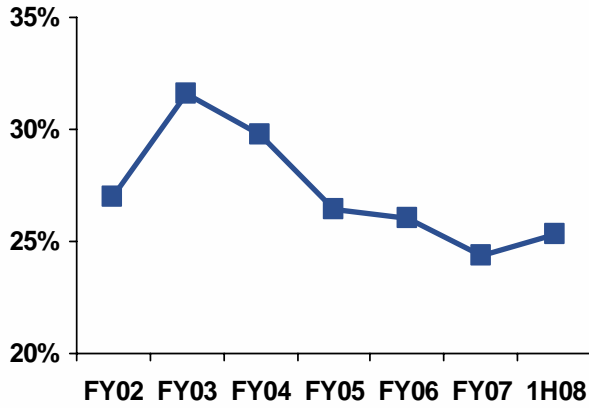
Except where noted, common terms and measures used in this document are based upon the following definitions:

<b>Cash flow from operations</b>	Cash flow generated after net capital expenditure and before special items
<b>Free Cash Flow (FCF)</b>	Cash flow generated after net capital expenditure, finance costs and taxation but excluding the net cost of acquisitions and proceeds from business disposals.
<b>BVA</b>	Brambles Value Added, calculated in US\$ AIFRS as comparable operating profit – (12% x Average capital invested) at June 2007 exchange rates .
<b>Average capital invested</b>	Calculated as a 12 month average. Capital invested is calculated as net assets before tax balances, cash and borrowings, but after adding back accumulated pre-tax special items (excluding those associated with the restructuring, Unification and divestment program). Semi-annual average capital invested calculated as a 6 month average.
<b>ROCI</b>	Calculated as comparable operating profit divided by average capital invested.
<b>Capital expenditure (capex)</b>	On a cash flow basis. Unless otherwise stated, excludes intangible assets, investments in associates and equity acquisitions and is shown gross of any fixed asset disposals proceeds.

## USA - Plant operations & transportation trends

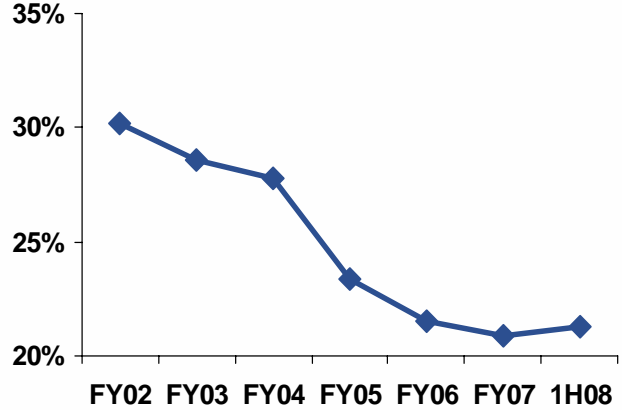
### Plant cost ratio

(Plant costs / Sales)



### Gross transportation cost ratio

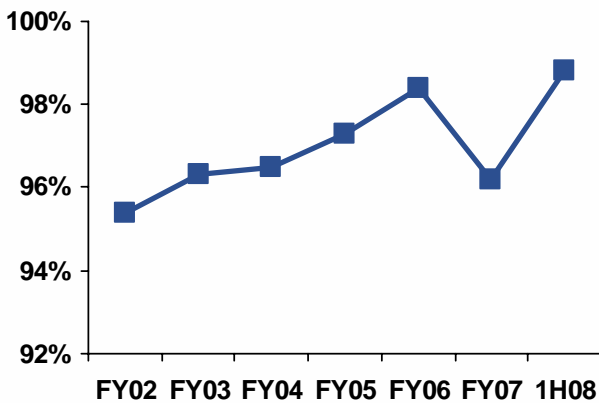
(Transportation costs / Sales)



## USA - Asset productivity trends

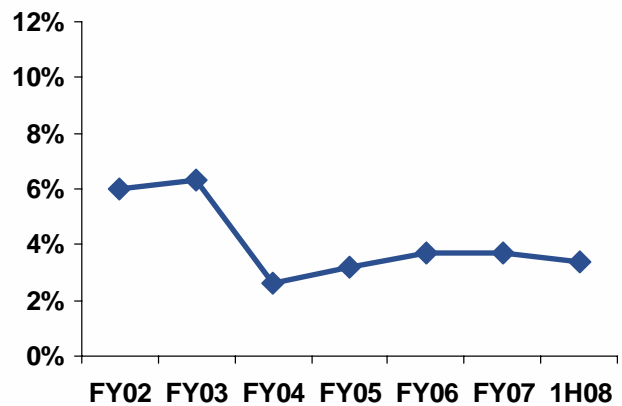
### Control ratio

(Returns + Recoveries / Total Issues)



### New equipment issue ratio

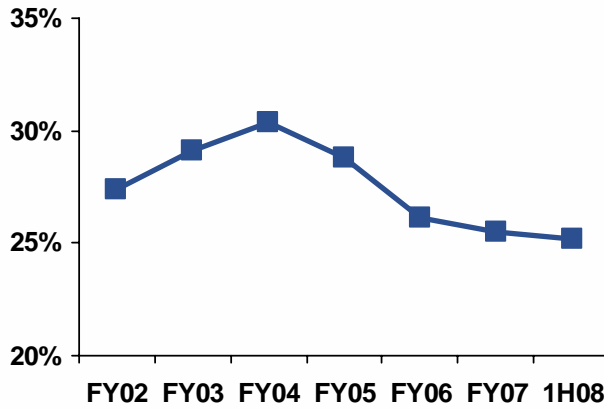
(Pallets purchased / Total issues)



## Europe - Plant operations & transportation trends

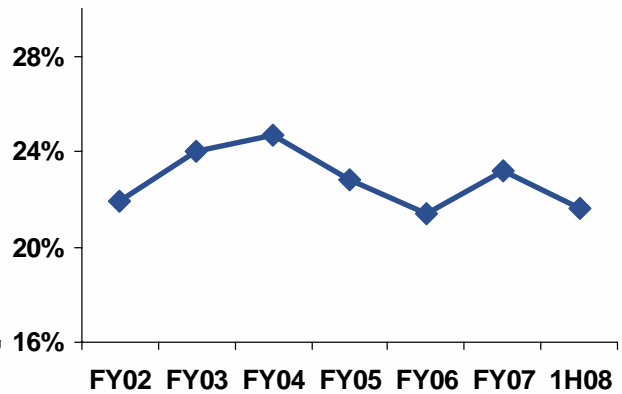
### Plant cost ratio

(Plant costs / Sales)



### Gross transportation cost ratio

(Transportation costs / Sales)

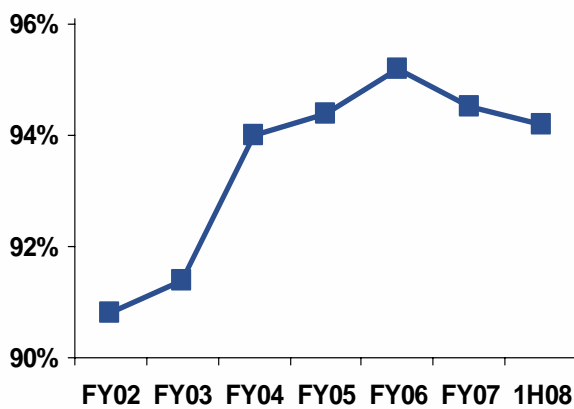


Major pallet sizes (B1210A and B1208A only)

## Europe - Asset productivity trends

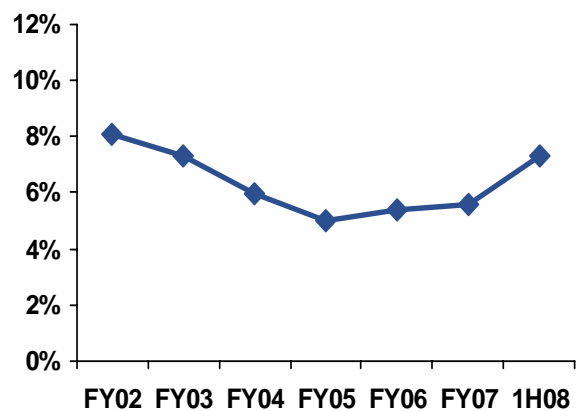
### Control ratio

(Returns + Recoveries / Total Issues)



### New equipment issue ratio

(Pallets purchased / Total issues)



Major pallet sizes (B1210A and B1208A only)

## 1H08 Currency mix

US\$m, AIFRS	Total	1H08 Currency mix at Actual FX rates				
		USD	EUR	GBP	AUD	Other
Continuing operations sales revenue	2,110.2	700.4	545.0	246.5	245.7	372.6
Continuing operations comparable operating profit	500.5	171.1	112.0	61.5	48.7	107.2
Net Debt <sup>1</sup>	2,151.9	1,550.6	(678.5)	540.9	667.2	71.7

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

## Credit facilities and debt profile

At 31 December 2007

## US\$ billion

Maturity	Type	Facilities	Debt drawn	Headroom
< 12 months	Bank	0.5	0.1	0.4
1 – 2 years	-	-	-	-
2 – 3 years	Bank	2.9	1.7	1.2
3 – 4 years	USPP <sup>1</sup>	0.2	0.2	-
4 – 5 years	Bank	0.2	0.1	0.1
> 5 years	USPP <sup>1</sup>	0.2	0.2	-
	<b>Total</b>	<b>4.0</b>	<b>2.3</b>	<b>1.7</b>

<sup>1</sup> US Private Placement