Brambles Limited
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21 February 2013

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

Via electronic lodgement

Dear Sir

Brambles reports results for the half-year ended 31 December 2012

Attached in accordance with Listing Rule 4.2A is the consolidated financial report, directors' report and auditors' review report for Brambles Limited (Brambles) for the half-year ended 31 December 2012.

Yours faithfully
Brambles Limited

Robert Gerrard
Group Company Secretary

Brambles

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Brambles Limited

ABN 89 118 896 021

Appendix 4D

Consolidated financial report for the half-year ended 31 December 2012

Six months ended 31 December	2012 US$m	2011 US$m	% change (actual FX rates)	% change (constant FX rates)
STATUTORY RESULTS				
Continuing operations after Significant items:				
Sales revenue	**2,889.7**	2,783.0	4%	6%
Operating profit	**481.4**	422.9	14%	17%
Profit before tax	**426.7**	339.1	26%	30%
Profit after tax	**303.3**	241.8	25%	30%
Profit after tax - discontinued operations	**(0.8)**	(2.3)		
Profit for the period	**302.5**	239.5	26%	31%
Profit attributable to members of the parent entity	**302.5**	239.5	26%	31%
Basic EPS (US cents)	**19.6**	16.2	21%	25%
Continuing operations before Significant items:				
Sales revenue	**2,889.7**	2,783.0	4%	6%
Underlying profit	**490.0**	456.3	7%	11%
Profit after tax	**310.6**	266.0	17%	21%
Basic EPS (US cents)	**20.1**	18.0	12%	16%
Interim dividend* (Australian cents)	**13.5**	13.0		

* The 2013 interim dividend is 30% franked and its record date is 8 March 2013.

A commentary on these results is set out in Brambles' Half-Year Results announcement dated 21 February 2013.

CONSOLIDATED FINANCIAL REPORT

for the half-year ended 31 December 2012

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Consolidated financial statements

Brambles

CONSOLIDATED INCOME STATEMENT

for the half-year ended 31 December 2012

	Note	First half 2013 US$m	First half 2012 US$m
Continuing operations			
Sales revenue	4	**2,889.7**	2,783.0
Other income	4	**62.3**	58.8
Operating expenses	4	**(2,473.0)**	(2,421.6)
Share of results of joint ventures	12	**2.4**	2.7
Operating profit		**481.4**	422.9
Finance revenue		**1.3**	1.7
Finance costs		**(56.0)**	(85.5)
Net finance costs		**(54.7)**	(83.8)
Profit before tax		**426.7**	339.1
Tax expense		**(123.4)**	(97.3)
Profit from continuing operations		**303.3**	241.8
Profit from discontinued operations	6	**(0.8)**	(2.3)
Profit for the period		**302.5**	239.5
Profit attributable to members of the parent entity		**302.5**	239.5
Earnings per share (cents)	8		
Total			
- basic		**19.6**	16.2
- diluted		**19.5**	16.1
Continuing operations			
- basic		**19.6**	16.3
- diluted		**19.5**	16.3

The consolidated income statement should be read in conjunction with the accompanying notes.

Brambles

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half-year ended 31 December 2012

	First half 2013 US$m	First half 2012 US$m
Profit for the period	**302.5**	239.5
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Actuarial losses on defined benefit pension plans	**(21.6)**	(7.3)
Income tax on items that will not be reclassified to profit or loss	**5.1**	1.5
	(16.5)	(5.8)
Items that may be reclassified to profit or loss:		
Exchange differences:		
- on translation of foreign subsidiaries	**95.2**	(163.7)
- FCTR released to profit	**-**	0.7
Cash flow hedges	**1.1**	2.8
Income tax on items that may be reclassified to profit or loss	**(0.4)**	(0.6)
	95.9	(160.8)
Other comprehensive income/(loss) for the period	**79.4**	(166.6)
Total comprehensive income for the period attributable to members of the parent entity	**381.9**	72.9

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET
as at 31 December 2012

	Note	December 2012 US$m	June 2012 US$m
ASSETS			
Current assets			
Cash and cash equivalents		**145.0**	174.2
Trade and other receivables		**1,127.6**	1,054.8
Inventories		**59.5**	48.2
Derivative financial instruments		**11.7**	8.9
Other assets		**86.4**	66.2
Total current assets		**1,430.2**	1,352.3
Non-current assets			
Other receivables		**10.1**	8.5
Investments		**18.5**	17.1
Property, plant and equipment		**4,426.8**	4,138.6
Goodwill		**1,797.4**	1,607.4
Intangible assets		**356.1**	362.2
Deferred tax assets		**47.6**	37.6
Derivative financial instruments		**15.5**	19.0
Other assets		**1.2**	3.0
Total non-current assets		**6,673.2**	6,193.4
Total assets		**8,103.4**	7,545.7
LIABILITIES			
Current liabilities			
Trade and other payables		**1,457.6**	1,176.8
Borrowings		**119.7**	86.4
Derivative financial instruments		**6.5**	5.0
Tax payable		**27.0**	46.5
Provisions		**80.7**	90.1
Total current liabilities		**1,691.5**	1,404.8
Non-current liabilities			
Borrowings		**2,702.2**	2,777.7
Derivative financial instruments		**-**	0.8
Provisions		**27.4**	30.4
Retirement benefit obligations		**69.6**	58.8
Deferred tax liabilities		**541.6**	505.7
Other liabilities		**27.0**	27.1
Total non-current liabilities		**3,367.8**	3,400.5
Total liabilities		**5,059.3**	4,805.3
Net assets		**3,044.1**	2,740.4
EQUITY			
Contributed equity	10	**6,611.8**	6,484.1
Reserves	11	**(6,591.5)**	(6,689.1)
Retained earnings		**3,023.8**	2,945.4
Total equity		**3,044.1**	2,740.4

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Brambles

CONSOLIDATED CASH FLOW STATEMENT

for the half-year ended 31 December 2012

	First half 2013 US$m	First half 2012 US$m
Cash flows from operating activities		
Receipts from customers	**3,223.5**	2,985.4
Payments to suppliers and employees	**(2,455.7)**	(2,375.1)
Cash generated from operations	**767.8**	610.3
Dividends received from joint ventures	**2.0**	1.8
Interest received	**1.3**	1.7
Interest paid	**(43.9)**	(66.9)
Income taxes paid on operating activities	**(122.1)**	(140.0)
Net cash inflow from operating activities	**605.1**	406.9
Cash flows from investing activities		
Payments for property, plant and equipment	**(446.9)**	(516.2)
Proceeds from sale of property, plant and equipment	**35.6**	37.1
Payments for intangible assets	**(16.5)**	(22.6)
Costs incurred on disposal of businesses	**-**	(0.2)
Acquisition of subsidiaries, net of cash acquired	**(1.2)**	(22.7)
Net cash outflow from investing activities	**(429.0)**	(524.6)
Cash flows from financing activities		
Proceeds from borrowings	**832.1**	1,094.6
Repayments of borrowings	**(977.4)**	(721.6)
Net inflow/(outflow) from hedge instruments	**23.3**	(2.8)
Proceeds from issues of ordinary shares	**117.5**	(0.6)
Dividends paid, net of Dividend Reinvestment Plan	**(210.3)**	(200.4)
Net cash (outflow)/inflow from financing activities	**(214.8)**	169.2
Net (decrease)/increase in cash and cash equivalents	**(38.7)**	51.5
Cash and deposits, net of overdrafts, at beginning of the period	**152.7**	80.4
Effect of exchange rate changes	**(2.9)**	(6.4)
Cash and deposits, net of overdrafts, at end of the period	**111.1**	125.5

The consolidated cash flow statement should be read in conjunction with the accompanying notes.

Brambles

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2012

	Note	Share capital US$m	Reserves[1] US$m	Retained earnings US$m	Non-controlling interest US$m	Total US$m
Half-year ended 31 December 2011						
Opening balance		14,370.2	(14,716.8)	2,797.6	0.4	2,451.4
Profit for the period		-	-	239.5	-	239.5
Other comprehensive income		-	(160.8)	(5.8)	-	(166.6)
Total comprehensive income		-	(160.8)	233.7	-	72.9
Share-based payments:						
- expense recognised		-	10.1	-	-	10.1
- shares issued		-	(7.2)	-	-	(7.2)
- equity component of related tax		-	9.0	-	-	9.0
Transactions with owners in their capacity as owners:						
- dividends declared		-	-	(206.3)	-	(206.3)
- issues of ordinary shares, net of transaction costs		6.6	-	-	-	6.6
- capital reduction		(8,223.4)	8,223.4	-	-	-
- disposal of non-controlling interest		-	-	-	(0.4)	(0.4)
Closing balance		6,153.4	(6,642.3)	2,825.0	-	2,336.1
Half-year ended 31 December 2012						
Opening balance		**6,484.1**	**(6,689.1)**	**2,945.4**	**-**	**2,740.4**
Profit for the period		**-**	**-**	**302.5**	**-**	**302.5**
Other comprehensive income		**-**	**95.9**	**(16.5)**	**-**	**79.4**
Total comprehensive income		**-**	**95.9**	**286.0**	**-**	**381.9**
Share-based payments:						
- expense recognised		**-**	**10.3**	**-**	**-**	**10.3**
- shares issued		**-**	**(10.2)**	**-**	**-**	**(10.2)**
- equity component of related tax		**-**	**1.6**	**-**	**-**	**1.6**
Transactions with owners in their capacity as owners:						
- dividends declared		**-**	**-**	**(207.6)**	**-**	**(207.6)**
- issues of ordinary shares, net of transaction costs	10	**127.7**	**-**	**-**	**-**	**127.7**
Closing balance		**6,611.8**	**(6,591.5)**	**3,023.8**	**-**	**3,044.1**

[1] Refer Note 11 for further information on reserves.

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTE 1. BASIS OF PREPARATION

These financial statements present the consolidated results of Brambles Limited (ACN 118 896 021) and its subsidiaries (Brambles or the Group) for the half-year ended 31 December 2012.

These consolidated financial statements are a general purpose financial report and have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134: Interim Financial Reporting which ensures compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting. Brambles is a for-profit entity for the purpose of preparing these consolidated financial statements.

These interim consolidated financial statements do not include all of the notes that would normally be included in an annual financial report. The interim consolidated financial statements should be read in conjunction with Brambles' 2012 Annual Report and public announcements made by Brambles during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act.

The interim consolidated financial statements and all comparatives have been prepared using consistent accounting policies, as set out in Brambles' 2012 Annual Report.

In the first-half 2012 financial statements, Recall was presented within Discontinued operations as a divestment process was underway. As disclosed in Brambles' 2012 Annual Report, a decision was made in June 2012 to retain Recall. According, Recall is now presented within Continuing operations and prior period comparatives have been restated on this basis. Comparative information has been reclassified, where appropriate, to enhance comparability.

NOTE 2. OTHER INFORMATION

A) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET APPLIED

At 31 December 2012, certain new accounting standards and interpretations have been published that will become mandatory in future reporting periods. Brambles has not early-adopted these new or amended accounting standards and interpretations in 2013.

AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 are applicable to annual reporting periods beginning on or after 1 January 2015. AASB 9 addresses the classification, measurement and derecognition of financial assets and liabilities and may affect Brambles' accounting for financial assets and liabilities. Brambles is yet to assess the full impact of this standard.

AASB 10: Consolidated Financial Statements is applicable to annual reporting periods beginning 1 January 2013. This standard introduces a single definition of control that applies to all entities. The standard focuses on the need to have both power and rights or exposure to variable returns for control to be established. Brambles does not expect that this standard will have a significant impact on its financial statements.

AASB 11: Joint Arrangements is applicable to annual reporting periods beginning 1 January 2013. AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus has shifted from the legal structure of the joint arrangements to how the rights and obligations are shared by the parties to the joint arrangements. Brambles does not expect that this standard will have a significant impact on its financial statements.

AASB 12: Disclosure of Interests in Other Entities is applicable to annual reporting periods beginning 1 January 2013. This standard sets out the disclosure requirements of AASB 10 and AASB 11. Application of this standard will not impact amounts recognised in the financial statements.

AASB 13: Fair Value Measurements and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 are applicable to annual reporting periods beginning 1 January 2013. This standard provides guidance on measuring fair value and aims to enhance fair value disclosures. Brambles is yet to assess the full impact of this standard.

Revised AASB 119: Employee Benefits, AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 and AASB 2011-11: Amendments to AASB 119 arising from Reduced Disclosure Requirements are applicable to annual reporting periods beginning on or after 1 January 2013. The revised standard requires all remeasurements of defined benefit plan assets and liabilities to be recognised immediately in other comprehensive income. It further requires net interest expense on net defined benefit liability to be calculated using a discount rate. The revised requirements replace the expected return on plan assets that is currently included in the profit or loss. Brambles is yet to assess the full impact of this standard.

AASB 2011-4: Amendments to Remove Individual Key Management Personnel Disclosure Requirements (effective 1 July 2013). The revised standard removes the individual key management personnel (KMP) disclosure requirements from AASB 124 Related Party Disclosures, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the Corporations Act 2001. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments cannot be adopted early.

AASB 2012-3: Amendments to Australian Accounting Standard – Offsetting Financial Assets and Financial Liabilities and AASB 2012-2: Disclosures - Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014 and 1 January 2013 respectively). The revised standards clarify requirements to offset financial assets and financial liabilities in the balance sheet. The revised requirements are not expected to affect the accounting for any of Brambles' current offsetting arrangements, however additional disclosures in relation to offsetting arrangements may be impacted.

B) FOREIGN CURRENCY

The principal exchange rates affecting Brambles were:

		US$:A$	US$:€	US$:£
Average	First half 2013	1.0397	1.2785	1.5981
	First half 2012	1.0288	1.3693	1.5865
Period end	31 December 2012	1.0371	1.3193	1.6174
	30 June 2012	1.0032	1.2440	1.5515

C) ROUNDING OF AMOUNTS

As Brambles Limited is a company of a kind referred to in ASIC Class Order 98/100, relevant amounts in the financial statements and Directors' Report have been rounded to the nearest hundred thousand US dollars.

References to 2013 and 2012 are to the financial years ending on 30 June 2013 and 30 June 2012 respectively.

NOTE 3. SEGMENT INFORMATION

Brambles' segment information is provided on the same basis as internal management reporting to the CEO and reflects how Brambles is organised and managed.

Brambles has seven reportable segments, being Pallets - Americas, Pallets - EMEA, Pallets - Asia-Pacific (each pallet pooling businesses), Reusable Plastic Crates (RPCs) (crate pooling business), Containers (container pooling businesses), Recall (information management business) and Brambles HQ (corporate centre). Discontinued operations primarily comprise the Cleanaway businesses (waste management), which were divested in 2006 and 2007.

Segment performance is measured on sales, Underlying profit, cash flow from operations and Brambles Value Added (BVA). Underlying profit is the main measure of segment profit. A reconciliation between Underlying profit and operating profit is set out on page 11.

Segment sales revenue is measured on the same basis as in the income statement. Segment sales revenue is allocated to segments based on product categories and physical location of the business unit that invoices the customer. Intersegment revenue during the period was immaterial. There is no single external customer who contributed more than 10% of Group sales revenue.

Assets and liabilities are measured consistently in segment reporting and in the balance sheet. Assets and liabilities are allocated to segments based on segment use and physical location. Cash, borrowings and tax balances are managed centrally and are not allocated to segments.

	Sales revenue		Cash flow from operations [1]		Brambles Value Added [2]	
	First half 2013 US$m	First half 2012 US$m	First half 2013 US$m	First half 2012 US$m	First half 2013 US$m	First half 2012 US$m
By operating segment						
Pallets - Americas	**1,074.7**	983.8	**159.1**	111.1	**67.1**	40.3
Pallets - EMEA	**669.4**	672.8	**89.1**	62.3	**61.2**	53.7
Pallets - Asia-Pacific	**198.4**	187.0	**20.9**	(4.7)	**6.8**	12.7
Pallets	**1,942.5**	1,843.6	**269.1**	168.7	**135.1**	106.7
RPCs	**405.9**	386.7	**43.5**	(20.7)	**(18.1)**	(26.3)
Containers	**137.7**	135.2	**6.3**	6.8	**(7.2)**	2.1
Recall	**403.6**	417.5	**62.3**	16.6	**6.2**	5.3
Brambles HQ	**-**	-	**(23.7)**	(22.6)	**(12.7)**	(10.7)
Total Continuing	**2,889.7**	2,783.0	**357.5**	148.8	**103.3**	77.1

	First half 2013 US$m	First half 2012 US$m
By geographic origin		
Americas	**1,373.5**	1,267.3
Europe	**1,023.9**	1,044.2
Australia	**316.8**	302.2
Other	**175.5**	169.3
Total	**2,889.7**	2,783.0

NOTE 3. SEGMENT INFORMATION - CONTINUED

	Operating profit [3]		Significant items before tax [4]		Underlying profit [4]	
	First half 2013 US$m	First half 2012 US$m	First half 2013 US$m	First half 2012 US$m	First half 2013 US$m	First half 2012 US$m
By operating segment						
Pallets - Americas	**190.8**	155.6	**1.1**	(2.7)	**189.7**	158.3
Pallets - EMEA	**135.1**	130.1	**(1.5)**	(5.8)	**136.6**	135.9
Pallets - Asia-Pacific	**34.3**	36.0	**-**	-	**34.3**	36.0
Pallets	**360.2**	321.7	**(0.4)**	(8.5)	**360.6**	330.2
RPCs	**68.3**	49.0	**-**	(5.2)	**68.3**	54.2
Containers	**7.6**	16.4	**-**	-	**7.6**	16.4
Recall	**72.4**	51.2	**-**	(20.0)	**72.4**	71.2
Brambles HQ	**(27.1)**	(15.4)	**(8.2)**	0.3	**(18.9)**	(15.7)
Continuing operations	**481.4**	422.9	**(8.6)**	(33.4)	**490.0**	456.3
Discontinued operations	**-**	(3.3)	**-**	0.5		
Total	**481.4**	419.6	**(8.6)**	(32.9)		

	Capital expenditure		Depreciation and amortisation	
	First half 2013 US$m	First half 2012 US$m	First half 2013 US$m	First half 2012 US$m
By operating segment				
Pallets - Americas	**161.4**	151.9	**95.4**	92.4
Pallets - EMEA	**133.5**	116.8	**65.7**	71.8
Pallets - Asia-Pacific	**32.9**	44.8	**24.3**	23.9
Pallets	**327.8**	313.5	**185.4**	188.1
RPCs	**113.0**	126.8	**43.4**	47.9
Containers	**16.3**	27.5	**16.6**	14.6
Recall	**28.8**	33.1	**31.9**	31.2
Brambles HQ	**1.2**	-	**0.6**	0.4
Total	**487.1**	500.9	**277.9**	282.2

NOTE 3. SEGMENT INFORMATION - CONTINUED

	Segment assets		Segment liabilities	
	December 2012 US$m	June 2012 US$m	December 2012 US$m	June 2012 US$m
By operating segment				
Pallets - Americas	**2,221.8**	2,110.1	**299.1**	275.1
Pallets - EMEA	**1,536.4**	1,441.4	**338.5**	337.6
Pallets - Asia-Pacific	**624.4**	449.7	**102.4**	50.4
Pallets	**4,382.6**	4,001.2	**740.0**	663.1
RPCs	**1,817.6**	1,755.8	**458.8**	411.9
Containers	**423.6**	303.5	**218.5**	71.8
Recall	**1,205.0**	1,174.1	**177.6**	185.6
Brambles HQ	**33.6**	61.4	**73.9**	56.6
Total segment assets and liabilities	**7,862.4**	7,296.0	**1,668.8**	1,389.0
Cash and borrowings[5]	**145.0**	174.2	**2,821.9**	2,864.1
Current tax balances	**29.9**	20.8	**27.0**	46.5
Deferred tax balances	**47.6**	37.6	**541.6**	505.7
Equity-accounted investments	**18.5**	17.1	**-**	-
Total assets and liabilities	**8,103.4**	7,545.7	**5,059.3**	4,805.3
Non-current assets by geographic origin[6]				
Americas	**2,969.7**	2,896.6		
Europe	**2,599.5**	2,231.6		
Australia	**574.4**	533.5		
Other	**466.5**	475.1		
Total	**6,610.1**	6,136.8		

1 Cash flow from operations is cash flow generated after net capital expenditure but excluding Significant items that are outside the ordinary course of business.

2 BVA is a non-statutory profit measure and represents the value generated over and above the cost of the capital used to generate that value. It is calculated using fixed June 2012 exchange rates as:
- Underlying profit; plus
- Significant items that are part of the ordinary activities of the business; less
- Average Capital Invested, adjusted for accumulated pre-tax Significant items that are part of the ordinary activities of the business, multiplied by 12%.

3 Operating profit is segment revenue less segment expense and excludes net finance costs.

4 Underlying profit is a non-statutory profit measure and represents profit from continuing operations before finance costs, tax and Significant items (refer Note 5). It is presented to assist users of the financial statements to better understand Brambles' business results.

5 US$450.0 million of loan notes have been hedged with interest rate swaps for fair value risk. In accordance with AASB139, the carrying value of the notes has been increased by US$24.0 million (June 2012: US$25.1 million) in relation to changes in fair value attributable to the hedged risk.

6 Non-current assets exclude financial instruments and deferred tax assets.

NOTE 4. PROFIT FROM ORDINARY ACTIVITIES - CONTINUING OPERATIONS

	First half 2013 US$m	First half 2012 US$m
A) REVENUE AND OTHER INCOME - CONTINUING OPERATIONS		
Sales revenue	**2,889.7**	2,783.0
Net gains on disposals of property, plant and equipment	**-**	5.5
Other operating income	**62.3**	53.3
Other income	**62.3**	58.8
Total income	**2,952.0**	2,841.8
B) OPERATING EXPENSES - CONTINUING OPERATIONS		
Employment costs	**535.2**	538.0
Service suppliers:		
- transport	**510.1**	505.5
- repairs and maintenance	**163.5**	167.6
- subcontractors and other service suppliers	**474.2**	439.1
Raw materials and consumables	**212.0**	179.8
Occupancy	**166.8**	162.0
Depreciation of property, plant and equipment	**243.5**	247.3
Impairment of property, plant and equipment	**-**	4.6
Irrecoverable pooling equipment provision expense	**54.3**	55.2
Amortisation of intangible assets and deferred expenditure		
- software	**13.6**	14.6
- acquired intangible assets (other than software)	**15.2**	16.0
- deferred expenditure	**5.6**	4.3
Other	**79.0**	87.6
	2,473.0	2,421.6
C) NET FOREIGN EXCHANGE GAINS AND LOSSES - CONTINUING OPERATIONS		
Net (losses)/gains included in operating profit[1]	**(0.2)**	1.2
Net gains included in net finance costs	**4.5**	2.9
	4.3	4.1

1 Includes a US$1.7 million foreign exchange gain on capital repatriation by an overseas subsidiary during first half 2012. Refer Note 5 for further details.

NOTE 5. SIGNIFICANT ITEMS - CONTINUING OPERATIONS

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:

- outside the ordinary course of business (e.g. gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring); or
- part of the ordinary activities of the business but unusual due to their size and nature.

Significant items are disclosed to assist users of the financial statements to better understand Brambles' business results.

	First half 2013 US$m		
	Before tax	Tax	After tax
Items outside the ordinary course of business:			
- acquisition-related costs[a]	**(4.5)**	**-**	**(4.5)**
- restructuring and IFCO integration costs[b]	**(4.1)**	**1.3**	**(2.8)**
Significant items from continuing operations	**(8.6)**	**1.3**	**(7.3)**

	First half 2012 US$m		
	Before tax	Tax	After tax
Items outside the ordinary course of business:			
- acquisition-related costs[a]	(1.4)	0.4	(1.0)
- restructuring and IFCO integration costs[b]	(22.0)	6.2	(15.8)
- Recall transaction costs[c]	(5.9)	1.0	(4.9)
- Pension costs[d]	(5.8)	1.6	(4.2)
- Foreign exchange gain on repatriation[e]	1.7	-	1.7
Significant items from continuing operations	(33.4)	9.2	(24.2)

a Professional fees and other transaction costs were incurred in relation to the Pallecon acquisition in first half 2013 and Driessen Services, Paramount Pallet and IFCO acquisitions in first half 2012.

b Redundancy, plant closure, integration and other restructuring costs of US$4.1 million were incurred in various countries during the period (first half 2012: US$22.0 million, including a US$4.6 million impairment of CHEP Europe's reusable plastic crates assets).

c Costs of US$5.9 million, primarily professional fees, were incurred in first half 2012 in relation to the Recall divestment process.

d During first half 2012, CHEP South Africa changed its retirement plan from defined benefit to defined contribution. As required by AASB 119: Employee benefits, the actuarially-assessed value of a related enhancement in retirement benefits was treated as a past service cost and recognised in the income statement.

e During first half 2012, a capital return was made by an overseas subsidiary. As required by AASB 121: The Effects of Changes in Foreign Exchange Rates, a portion of the accumulated foreign currency translation reserve held in relation to that overseas subsidiary was recognised in the income statement, resulting in a US$1.7 million foreign exchange gain.

NOTE 6. DISCONTINUED OPERATIONS

Discontinued operations primarily comprise net adjustments to divestment provisions. Financial information relating to discontinued operations is summarised below:

	First half 2013 US$m	First half 2012 US$m
Profit before tax	**-**	(3.3)
Tax (expense)/benefit	**(0.8)**	1.0
Loss for the period from discontinued operations	**(0.8)**	(2.3)
Net cash outflow from operating activities	**(0.2)**	(0.5)

NOTE 7. BUSINESS COMBINATIONS

ACQUISITIONS

A) Pallecon

On 17 December 2012, Brambles announced its acquisition of Pallecon, a leading provider of IBCs (Intermediate Bulk Containers) in Europe and Asia-Pacific, for consideration of €135 million, subject to customary conditions precedent.

The offer became unconditional on 28 December 2012 as all conditions precedent were satisfied. The transaction was completed and consideration paid on 2 January 2013.

The fair value of the Pallecon assets acquired, liabilities assumed and goodwill were as follows, based on preliminary acquisition accounting data which will be finalised within the next twelve months:

	First half 2013 US$m
Purchase consideration	**178.3**
Fair value of net identifiable assets acquired	**34.5**
Goodwill	**143.8**

The goodwill acquired is attributable to the profitability of the acquired business and anticipated synergies with Brambles' existing Containers operations, as well as benefits derived from the acquired workforce and other intangible assets that cannot be separately recognised.

On acquisition of Pallecon, assets acquired and liabilities assumed were:

	Fair value US$m
Receivables	**10.8**
Inventories	**5.6**
Property, plant and equipment	**30.0**
Other assets	**0.6**
	47.0
Trade and other payables	**8.4**
Borrowings	**2.2**
Retirement benefit obligations	**0.8**
Other liabilities	**1.1**
	12.5
Net assets	**34.5**

At 31 December 2012, there was no cash outflow on acquisition of Pallecon since the consideration of US$178.3 million was paid on 2 January 2013. The consideration was included within Trade and other payables at balance date. The acquisition had no income statement impact at half-year.

B) Other

In addition to the above acquisition, there were other minor acquisitions in first half 2013 with immaterial impact.

NOTE 8. EARNINGS PER SHARE

	First half 2013 US cents	First half 2012 US cents
Earnings per share		
- basic	**19.6**	16.2
- diluted	**19.5**	16.1
From continuing operations		
- basic	**19.6**	16.3
- diluted	**19.5**	16.3
- basic, on Underlying profit after finance costs and tax	**20.1**	18.0
From discontinued operations		
- basic	**-**	(0.1)
- diluted	**-**	(0.2)

Performance share rights and MyShare matching conditional rights granted under Brambles' share plans are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

	First half 2013 million	First half 2012 million
A) WEIGHTED AVERAGE NUMBER OF SHARES DURING THE PERIOD		
Used in the calculation of basic earnings per share	**1,545.4**	1,479.7
Adjustment for share rights	**9.0**	7.7
Used in the calculation of diluted earnings per share	**1,554.4**	1,487.4

	First half 2013 US$m	First half 2012 US$m
B) RECONCILIATION OF PROFITS USED IN EPS CALCULATIONS		
Statutory profit		
Profit from continuing operations	**303.3**	241.8
Profit from discontinued operations	**(0.8)**	(2.3)
Profit used in calculating basic and diluted EPS	**302.5**	239.5
Underlying profit after finance costs and tax		
Underlying profit (Note 3)	**490.0**	456.3
Net finance costs	**(54.7)**	(83.8)
Underlying profit before tax	**435.3**	372.5
Tax expense on Underlying profit	**(124.7)**	(106.5)
Underlying profit after finance costs and tax	**310.6**	266.0
which reconciles to statutory profit:		
Underlying profit after finance costs and tax	**310.6**	266.0
Significant items after tax (Note 5)	**(7.3)**	(24.2)
Profit from continuing operations	**303.3**	241.8

NOTE 9. DIVIDENDS

A) DIVIDENDS PAID DURING THE PERIOD

	Final 2012
Dividend per share (in Australian cents)	13.0
Franked amount at 30% tax (in Australian cents)	3.9
Cost (in US$ million)	210.3
Payment date	11 October 2012

B) DIVIDEND DECLARED AFTER REPORTING DATE

	Interim 2013
Dividend per share (in Australian cents)	**13.5**
Franked amount at 30% tax (in Australian cents)	**4.1**
Cost (in US$ million)	**216.2**
Payment date	**11 April 2013**
Dividend record date	**8 March 2013**

As this dividend had not been declared at the reporting date, it is not reflected in these financial statements.

NOTE 10. ISSUED AND QUOTED SECURITIES

	Options	Ordinary securities	
	Number	Number	US$m
At 1 July 2012	**13,637,036**	**1,536,059,936**	**6,484.1**
Issued during the period	**3,891,908**	**20,528,849**	**127.7**
Exercised during the period	**(1,492,918)**	**-**	**-**
Lapsed during the period	**(2,116,785)**	**-**	**-**
At 31 December 2012	**13,919,241**	**1,556,588,785**	**6,611.8**

The 20,528,849 shares issued during the period include 19,055,210 new shares issued on 10 July 2012 under the retail component of the fully underwritten 1 for 20 pro rata accelerated renounceable entitlement offer, raising US$117.5 million, net of transaction costs.

NOTE 11. RESERVES

A) MOVEMENTS IN RESERVES

	Hedging US$m	Share-based payments US$m	Foreign currency translation US$m	Unification US$m	Other US$m	Total US$m
Half-year ended 31 December 2011						
Opening balance	(4.8)	80.5	426.0	(15,385.8)	167.3	(14,716.8)
FCTR released to profits during the period	-	-	(1.7)	-	-	(1.7)
FCTR on entities disposed taken to profits	-	-	0.7	-	-	0.7
Foreign exchange differences	-	-	(162.0)	-	-	(162.0)
Cash flow hedges:						
- fair value losses	(0.3)	-	-	-	-	(0.3)
- tax on fair value losses	0.5	-	-	-	-	0.5
- transfers to net profit	3.0	-	-	-	-	3.0
- transfers to property, plant and equipment	0.1	-	-	-	-	0.1
- tax on transfers to net profit	(1.1)	-	-	-	-	(1.1)
Share-based payments:						
- expense recognised during the period	-	10.1	-	-	-	10.1
- shares issued	-	(7.2)	-	-	-	(7.2)
- equity component of related tax	-	9.0	-	-	-	9.0
Capital reduction	-	-	-	8,223.4	-	8,223.4
Closing balance	(2.6)	92.4	263.0	(7,162.4)	167.3	(6,642.3)
Half-year ended 31 December 2012						
Opening balance	**(1.4)**	**88.1**	**219.3**	**(7,162.4)**	**167.3**	**(6,689.1)**
Foreign exchange differences	**-**	**-**	**95.2**	**-**	**-**	**95.2**
Cash flow hedges:						
- fair value losses	**(1.6)**	**-**	**-**	**-**	**-**	**(1.6)**
- tax on fair value losses	**0.6**	**-**	**-**	**-**	**-**	**0.6**
- transfers to property, plant and equipment	**2.7**	**-**	**-**	**-**	**-**	**2.7**
- tax on transfers to net profit	**(1.0)**	**-**	**-**	**-**	**-**	**(1.0)**
Share-based payments:						
- expense recognised during the period	**-**	**10.3**	**-**	**-**	**-**	**10.3**
- shares issued	**-**	**(10.2)**	**-**	**-**	**-**	**(10.2)**
- equity component of related tax	**-**	**1.6**	**-**	**-**	**-**	**1.6**
Closing balance	**(0.7)**	**89.8**	**314.5**	**(7,162.4)**	**167.3**	**(6,591.5)**

B) NATURE AND PURPOSE OF RESERVES

Hedging reserve

This comprises the cumulative portion of the gain or loss of cash flow hedges that are determined to be effective hedges. Amounts are recognised in the income statement when the associated hedged transaction is recognised or the hedge or a portion thereof becomes ineffective.

Share-based payments reserve

This comprises the cumulative share-based payment expense recognised in the income statement in relation to equity-settled share rights issued but not yet exercised.

NOTE 11. RESERVES - CONTINUED

Foreign Currency translation reserve

This comprises cumulative exchange differences arising from the translation of the financial statements of foreign subsidiaries, net of qualifying net investment hedges. The relevant accumulated balance is recognised in the income statement on disposal of a foreign subsidiary.

Unification reserve

On Unification, Brambles Limited issued shares on a one-for-one basis to those Brambles Industries Limited (BIL) and Brambles Industries plc (BIP) shareholders who did not elect to participate in the Cash Alternative. The Unification reserve of US$15,385.8 million was established on 4 December 2006, representing the difference between the Brambles Limited share capital measured at fair value and the carrying value of the share capital of BIL and BIP at that date. In the consolidated financial statements, the reduction in share capital of US$8,223.4 million on 9 September 2011 by the parent entity in accordance with section 258F of the Corporations Act 2001 was applied against the Unification reserve.

Other

This comprises a merger reserve created in 2001 and a capital redemption reserve created in 2006.

NOTE 12. EQUITY-ACCOUNTED INVESTMENTS

A) JOINT VENTURES

Brambles has investments in the following unlisted jointly controlled entities, which are accounted for using the equity method.

Name (and nature of business)	Place of incorporation	% interest held at reporting date December 2012	% interest held at reporting date December 2011
CISCO - Total Information Management Pte. Limited (Information management)	Singapore	**49%**	49%
Recall Becker GmbH & Co. KG (Document management services)	Germany	**50%**	50%

B) SHARE OF RESULTS OF JOINT VENTURES

	First half 2013 US$m	First half 2012 US$m
Profit from ordinary activities before tax	**3.0**	3.3
Tax expense on ordinary activities	**(0.6)**	(0.6)
Profit for the period	**2.4**	2.7

NOTE 13. NET TANGIBLE ASSETS PER SHARE

	First half 2013 US cents	First half 2012 US cents
Based on 1,556.6 million shares (First half 2012: 1,480.4 million shares):		
- Net tangible assets per share	**57.2**	20.8
- Net assets per share	**195.6**	157.8

Net tangible assets per share is calculated by dividing total equity attributable to the members of the parent entity, less goodwill and intangible assets, by the number of shares on issue at period end.

Net assets per share is calculated by dividing total equity attributable to the members of the parent entity by the number of shares on issue at period end.

NOTE 14. CONTINGENT LIABILITIES

A third party facility leased by Recall has suffered significant structural damage resulting in the facility becoming non-operational. Consequently, Recall has and will continue to incur costs associated with the incident and the relocation of operations to a new facility. Provision has been made in respect of Recall's obligations that are known to exist and can be reliably measured. The provision is Recall's current best estimate of the costs it will incur arising from this matter. There are, however, a number of aspects relating to this matter which have not been finalised and a number of parties which will be involved in their resolution. At the date of this report, it is not possible to determine when all of these aspects will be finalised.

There have been no other material changes in contingent liabilities as set out in Brambles' 2012 Annual Report.

NOTE 15. EVENTS AFTER BALANCE SHEET DATE

Except as outlined in the Directors' Report or elsewhere in these consolidated financial statements, there have been no other events that have occurred subsequent to 31 December 2012 and up to the date of this report that have had a material impact on Brambles' financial performance or position.

DIRECTORS' DECLARATION

In the opinion of the Directors of Brambles Limited:

(a) the financial statements and notes set out on pages 3 to 20 are in accordance with the Australian Corporations Act 2001, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated financial position of Brambles Limited as at 31 December 2012 and of its performance for the half-year ended on that date;

(b) there are reasonable grounds to believe that Brambles Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

G J Kraehe AO
Chairman

T J Gorman
Chief Executive Officer

Sydney
21 February 2013

Independent auditors' review report to the members of Brambles Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Brambles Limited (the Company), which comprises the consolidated balance sheet as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, selected explanatory notes and the Directors' declaration for both Brambles Limited and Brambles. Brambles comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Brambles' financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Brambles Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Brambles Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

P Bendall
Partner

Sydney
21 February 2013

M Dow
Partner

Sydney
21 February 2013

DIRECTORS' REPORT

The Directors present the interim results of the consolidated entity consisting of Brambles Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2012 (Brambles).

NAMES OF DIRECTORS

The Directors of Brambles Limited in office during the half-year and up to the date of this report are as follows:

G J Kraehe AO (Independent Non-executive Chairman)

T J Gorman (Executive Director, CEO)

G J Hayes (Executive Director, CFO) (retired 1 October 2012)

D G Duncan (Independent Non-executive Director)

A G Froggatt (Independent Non-executive Director)

D P Gosnell (Independent Non-executive Director)

T Hassan (Independent Non-executive Director)

S P Johns (Independent Non-executive Director)

S C H Kay (Independent Non-executive Director)

C L Mayhew (Independent Non-executive Director)

B M Schwartz AM (Independent Non-executive Director)

REVIEW AND RESULTS OF OPERATIONS

Brambles has four operating business segments: Pallets, Reusable Plastic Crates (RPCs), Containers and Recall.

Some of the results referred to below are shown on a "constant currency" basis. This means that they are presented by translating both current and comparable period 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. All other figures are presented on an "actual" basis, which means the results are translated into US dollars at the applicable actual monthly exchange rates for each period.

Brambles' sales revenue in the six months ended 31 December 2012 was US$2,889.7 million, up 4%. Constant currency growth was 6%, as a result of new business wins in all operating segments, increases in like-for-like organic volumes in Pallets and RPCs, and modest pricing growth in Pallets. The total contribution in the period from net new business wins was US$81 million or 3 percentage points of the constant currency sales growth. Operating profit was US$481.4 million, up 14% (17% at constant currency) after US$(8.6) million of Significant items related to acquisition transaction costs, restructuring and integration costs.

Pallets

Sales revenue in the Pallets segment was US$1,942.5 million, up 5%. At constant currency, sales revenue growth was 8%, driven by new business growth in the Americas and in emerging markets. The total contribution to constant currency sales revenue growth from net new business wins was US$73 million. Combined sales revenue from the emerging markets regions (Asia, Central & Eastern Europe, Latin America and Middle East & Africa) was US$254.0 million, up 13% (19% at constant currency). Operating profit in the Pallets segment was US$360.2 million, up 12% (15% at constant currency) after Significant items of US$(0.4) million. The Operating profit margin was 19%, up 2 percentage points. Strong improvements from improved sales mix and the delivery of efficiencies in both the Americas and EMEA more than offset the impact of a small profit decline in Asia-Pacific.

RPCs

Sales revenue in the RPCs segment was US$405.9 million, up 5%. Constant currency growth was 10%, primarily reflecting sales from continued expansion with existing retail partners in Europe and North America and business wins with new customers in Australia. Operating profit was US$68.3 million, up 39% (45% at constant currency), giving a margin of 17%, up 4 percentage points and reflecting the non-recurrence of restructuring and integration costs from the prior corresponding period of US$5.2 million.

Containers

Sales revenue in the Containers segment was US$137.7 million, up 2%. Constant currency growth was 6%, primarily reflecting acquisitions and new business growth. Operating profit was down 54% (48% at constant currency) to US$7.6 million, reflecting business development costs as well as the sales mix impact of growth in less established businesses, such as CHEP Aerospace Solutions, but lower sales in well-established operations such as the European and Australian automotive businesses. The profit margin was down 6 percentage points to 6%.

During January 2013, Brambles completed the acquisition of Pallecon, a provider of IBCs (Intermediate Bulk Containers) for $178.3 million. Pallecon, which will form a part of the Containers segment, operates mainly in Western Europe, Australia and New Zealand, providing IBCs primarily for the transportation of liquids in the food, cosmetic and chemical industries. It has been operating for more than 30 years and operates a pool of approximately 180,000 IBCs worldwide.

Recall

Recall's sales revenue was US$403.6 million, down 3%. Constant currency sales revenue was down 1% as growth in document storage revenue was insufficient to offset the impact of lower selling prices for paper and reduced activity levels in Europe and North America. Operating profit was US$72.4 million, up 41% (43% at constant currency), reflecting the non-recurrence of US$20.0 million of Significant items associated with restructuring programs and the divestment process in the prior corresponding period. The Operating profit margin was 18%, up 6 percentage points.

AUDITORS' INDEPENDENCE DECLARATION

The auditors' independence declaration, as required under Section 307C of the Corporations Act 2001, is set out on page 26 and forms part of this report.

This report is made in accordance with a resolution of the Directors.

G J Kraehe AO
Chairman

T J Gorman
Chief Executive Officer

Sydney
21 February 2013

Auditors' Independence Declaration

As lead auditor for the review of Brambles Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Brambles Limited and the entities it controlled during the period.

Paul Bendall
Partner
PricewaterhouseCoopers

21 February 2013

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