



FOCUS

Half-Year Results

19 February 2014

Results Highlights

Tom Gorman, CEO








Key messages

- Modest improvement in economic conditions in key markets supports strong sales and profit result
- Pallets: return on capital up on efficiency and asset utilisation gains
- RPCs: volumes up in all regions; actions underway to drive sales and offset cost impacts in North America
- Containers: strong Pallecon contribution, organic growth and profitability improvement
- FY14 Underlying Profit guidance¹ confirmed at US\$930M to US\$965M (30 June 2013 FX)²
- Commitment to reduce overheads by US\$100M from FY14 levels over FY15 to FY19; additional opportunity to manage future increases

¹ Guidance subject to the disclaimer on Slide 26.

² On a comparable basis (i.e. ex-Recall and at 30 June 2013 FX rates), 1H14 Underlying Profit of US\$458M translates to US\$452M and FY13 Underlying Profit of US\$913M translates to US\$895M

We are on track to deliver against our key objectives for the year

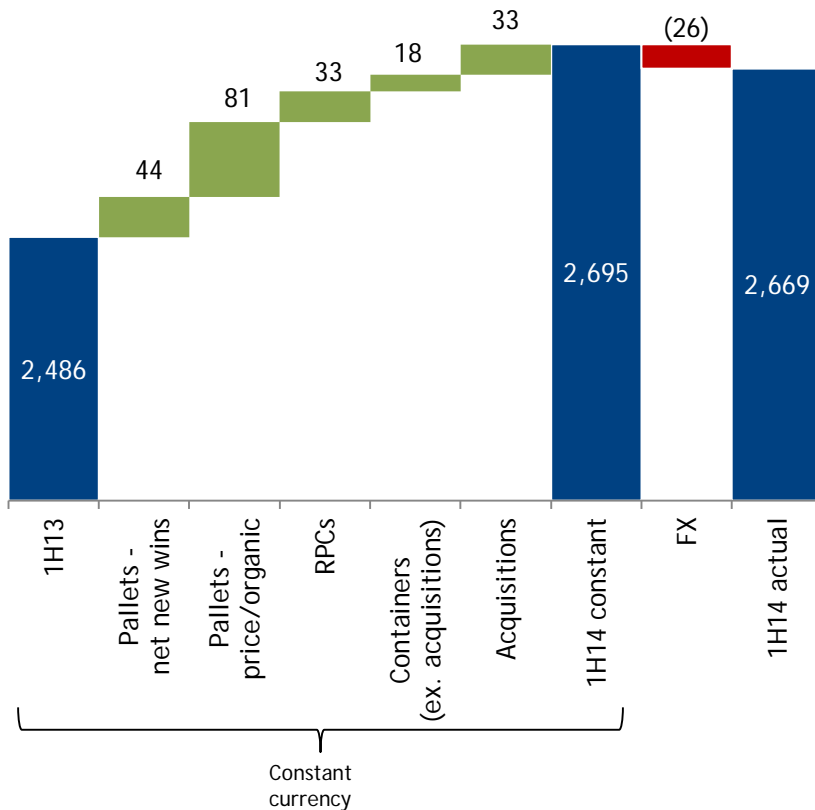
Objective	Progress
Annual constant currency percentage sales revenue growth in the high single digits	 FY14 growth expected at approximately 7%
Consistent incremental improvement in Group ROCI to at least 20% by FY19	 On track; small improvement in 1H14
Underlying Profit: US\$930-965M (30 June 2013 FX)	 On track to deliver within range
Delivery of US\$100M of integration synergies and operating efficiencies in Pallets by FY15	 ~US\$40M delivered at FY13 ~US\$30M to be delivered in each of FY14 and FY15
Recall demerger	 Successful completion

Key financial outcomes for the period reflected a solid Group result

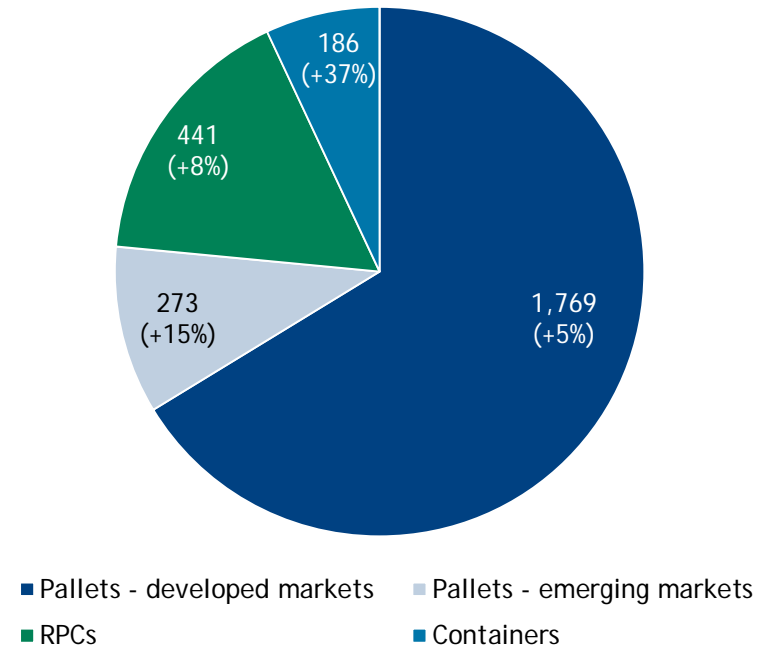
(Continuing operations)	1H14 result	Change vs. 1H13		
		Actual FX		Constant FX
Sales revenue	US\$2,669M	7%	↑	8%
Operating profit	US\$453M	11%	↑	11%
Profit after tax	US\$280M	11%	↑	9%
Basic earnings per share	US18.0¢	10%	↑	8%
Underlying Profit	US\$458M	10%	↑	11%
Return on Capital Invested	15.7%	+0.3 pts	↑	
Cash Flow from Operations	US\$376M	US\$81M	↑	
Dividends per share	A13.5¢			

Diversification and improving operating conditions driving sales revenue

Components of sales revenue growth (US\$M)



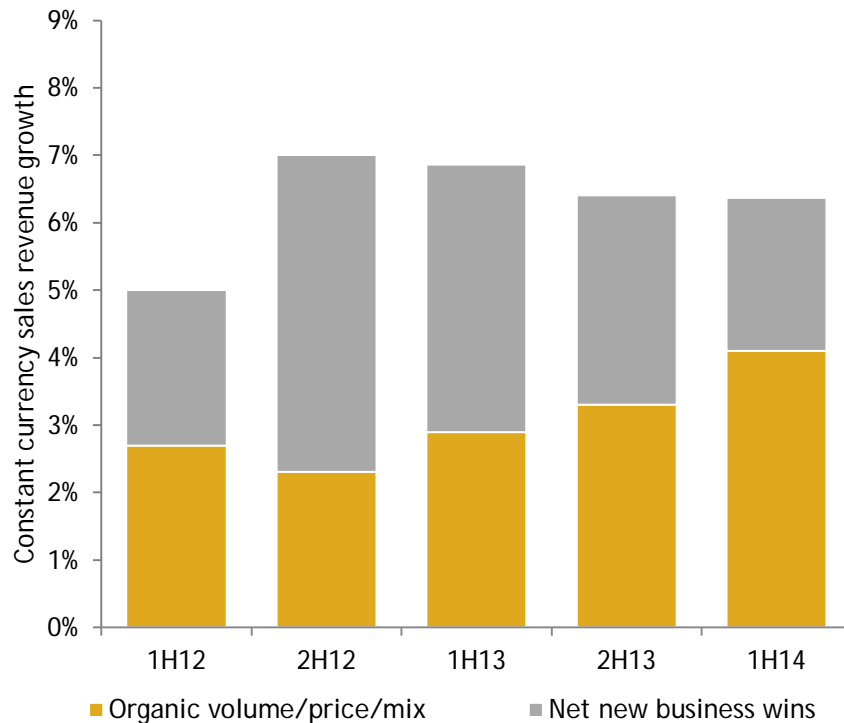
Sales revenue by operating segment¹ (US\$M)



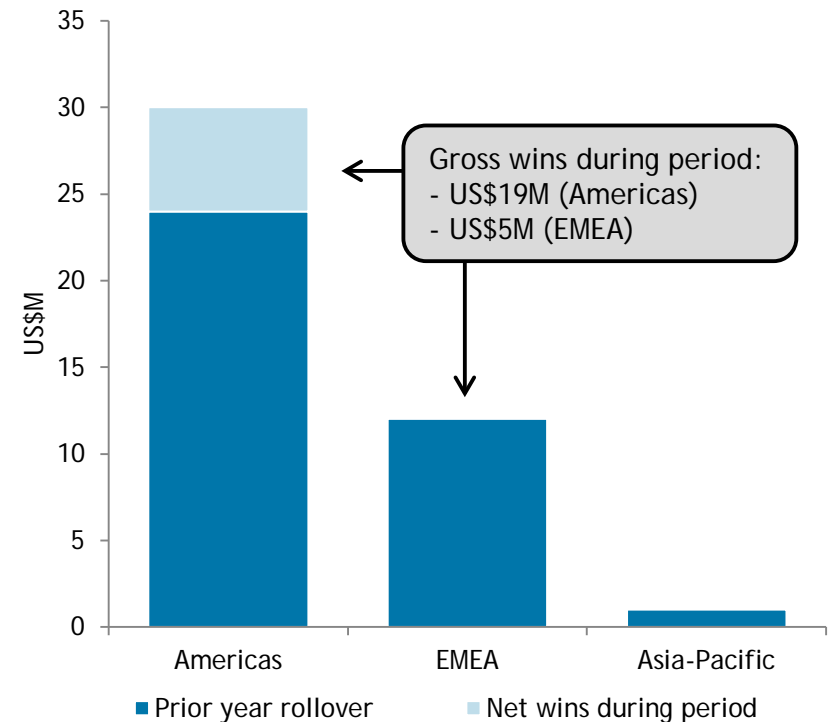
¹ Growth shown at constant currency

Economic conditions enabling more selective approach to business growth

Composition of Pallets' sales revenue growth by half-year period








Contribution from net new business wins to Pallets' 1H14 sales revenue



Note: all growth shown pro forma to normalise for impact of acquisitions






Pallets Americas result reflects sales, profit and ROCI improvements

(US\$M)	1H14	Change vs. 1H13	
		Actual FX	Constant FX
North America ¹	1,011	6%	7% 
Latin America	131	8%	14% 
Sales revenue	1,142	6%	8% 
Operating profit	205	7%	9% 
ROCI	18.3%	+0.6 pts	

- Organic and price growth and prior year rollover of net new wins contribute in all regions
- Strong profit growth despite higher CHEP USA repair and transport costs
- ROCI improvement reflects profit growth, increased capital efficiencies






¹ Shown including external sales from LeanLogistics

Strong efficiency improvements amid better organic conditions in Pallets EMEA

(US\$M)	1H14	Change vs. 1H13	
		Actual FX	Constant FX
Europe	646	8%	4% 
Middle East & Africa	68	(3)%	13% 
Sales revenue	714	7%	5% 
Operating profit	157	16%	16% 
ROCI	24.3%	+2.3 pts	

- Improved organic conditions, expansion in emerging markets, continued progress in Germany
- Price and sales mix improvements, plus efficiencies, support strong profit result
- Selective approach to business wins/renewals driving more efficient asset deployment

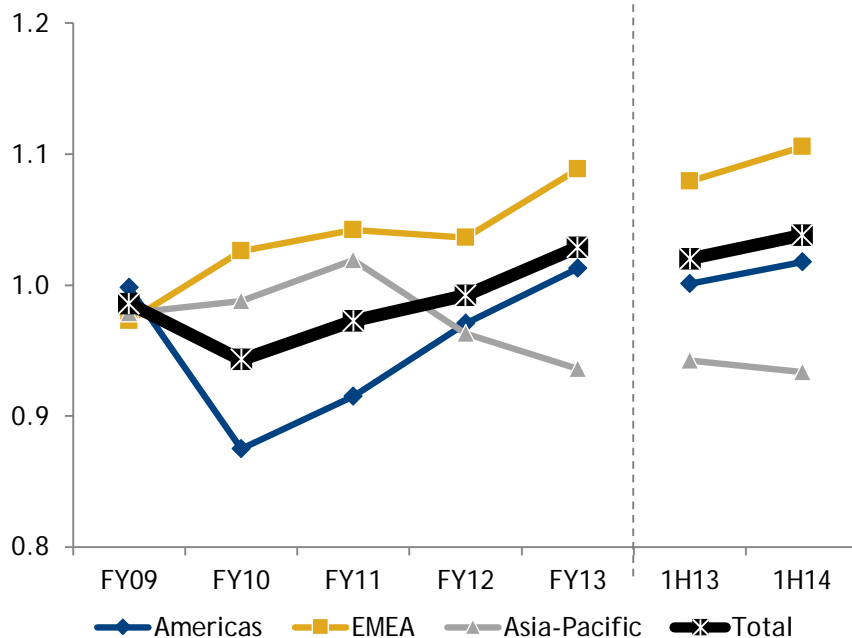
Pallets Asia-Pacific delivers resilient result amid muted Australian organic conditions

(US\$M)	1H14	Change vs. 1H13	
		Actual FX	Constant FX
ANZ	159	(8)%	3% 
Asia	27	8%	11% 
Sales revenue	186	(6)%	4% 
Operating profit	33	(5)%	7% 
ROCI	16.6%	+0.3 pts	

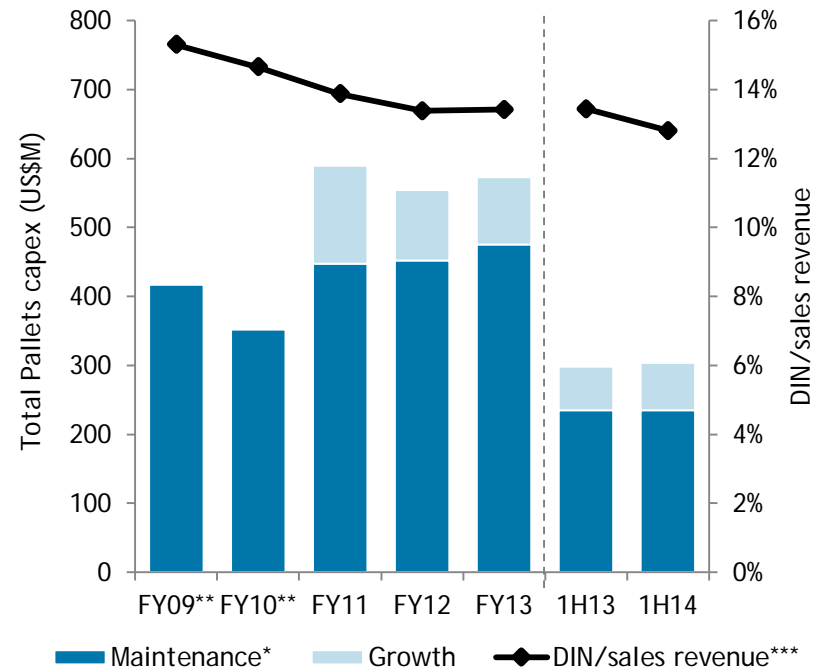
- Strong new platforms (e.g. display pallet, beverage tray) growth in Australia
- Asian growth reflects focus on driving dynamic pooling in place of static hire
- Pricing and sales mix improvements offset higher plant costs in ANZ, China

We are seeing positive trends for capex, asset utilisation and ROCI in Pallets

Pallets: ratio of annualised sales revenue to Average Capital Invested



Pallets: maintenance vs. growth capex



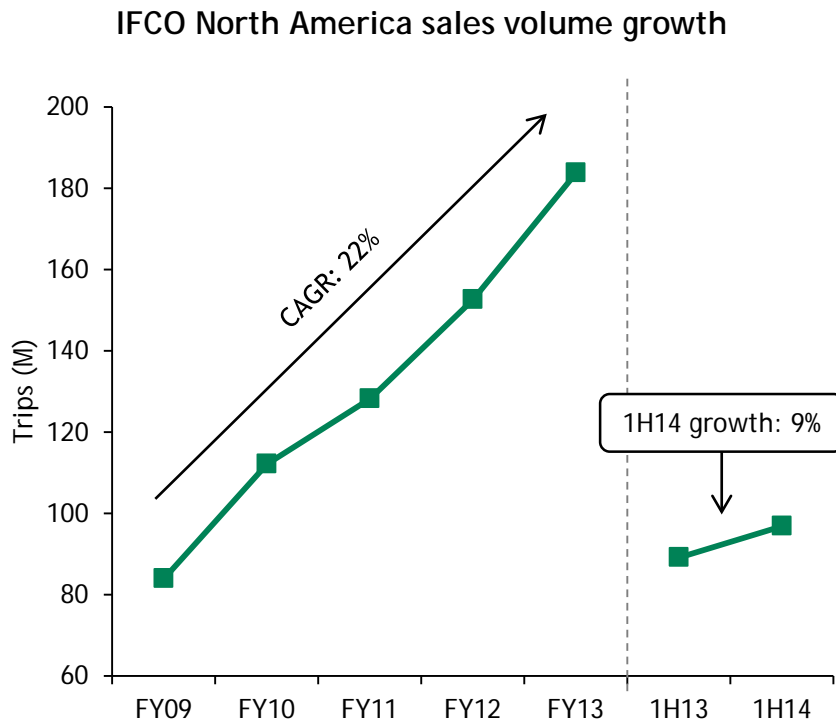
* DIN (depreciation, Irrecoverable Pooling Equipment Provision expense and net book value of compensated assets and scraps) is used as a proxy for maintenance capex
 ** FY09 and FY10 capex reflects reduction due to higher pallet returns
 *** Excludes IFCO Pallet Management Services

Mixed RPCs result reflecting strong volumes but increased cost pressures

(US\$M)	1H14	Change vs. 1H13		
		Actual FX	Constant FX	
Europe	289	11%	7%	↑
North America	84	5%	5%	↑
ANZ & South Africa	57	2%	15%	↑
South America	11	7%	25%	↑
Sales revenue	441	9%	8%	↑
Operating profit	58	(15)%	(14)%	↓
ROCI	7.5%	(2.1) pts		↓








- Volume growth in all regions
- Profit decline from not fully offsetting:
 - Higher depreciation costs (US\$5M)
 - North America price/mix (US\$3M)
 - Higher marketing costs (US\$2M)
- One-offs recognised within ordinary items (US\$5M), include:
 - IFCO CEO/CFO retirement benefits
 - Accelerated depreciation in South America

North American RPCs: mitigating actions underway but short-term challenges remain



- Volume growth remains strong, reflecting increasing penetration versus cardboard
- Pricing pressures and pool expansion drove challenging price/mix impacts during 1H14
- Execution to date below expectations
 - New leadership team
 - Mitigating actions as communicated in December 2013

Pallecon contributes strongly to improved Containers sales and profit result

(US\$M)	1H14	Change vs. 1H13	
		Actual FX	Constant FX
CHEP Automotive Solutions	79	8%	8% 
CHEP Pallecon Solutions	54	145%	155% 
CHEP Aerospace Solutions	32	29%	28% 
CHEP Catalyst & Chemical Containers	21	20%	21% 
Sales revenue	186	35%	37% 
Operating profit	18	134%	137% 
ROCI	8.6%	+2.5 pts	

- Pallecon acquisition drives strong sales growth
- Improved organic sales and new wins in CCC, Europe Auto and Aerospace offset weak ANZ auto
- Leveraging of indirect costs driving margin improvement as business grows

Finance Update

Zlatko Todorcevski, CFO

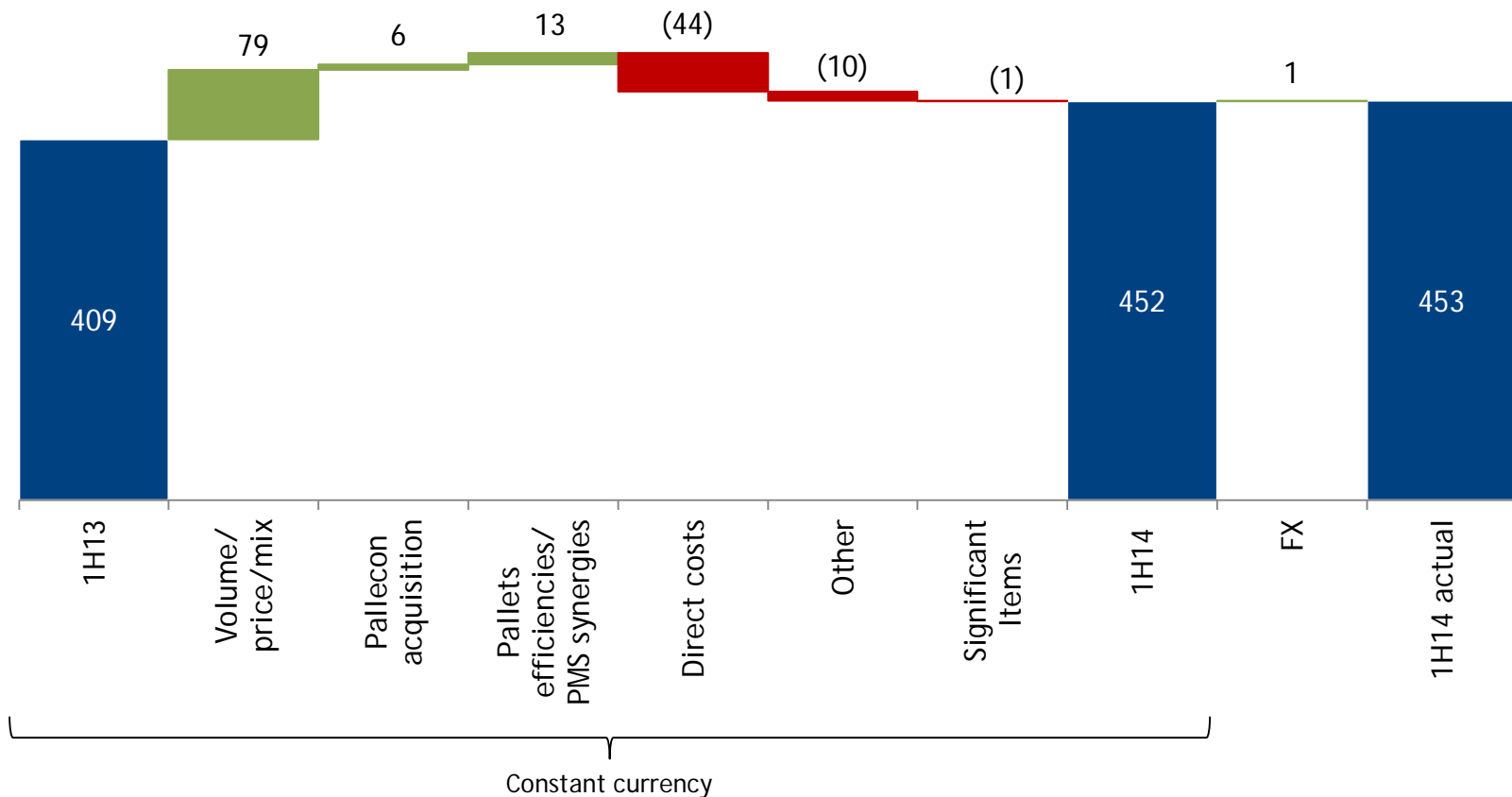


A solid financial performance, can be built upon with actions on costs

- Strong first-half operating profit despite cost headwinds
- Progress shown in line with key initiatives
 - Continued capital efficiency supporting ROCI growth
 - Solid cash-flow performance
 - Detailed planning underway for multi-year overheads management program
 - US\$100M reduction to be targeted versus current levels
 - Additional opportunity for management of currently planned future increases
- Strong balance sheet position

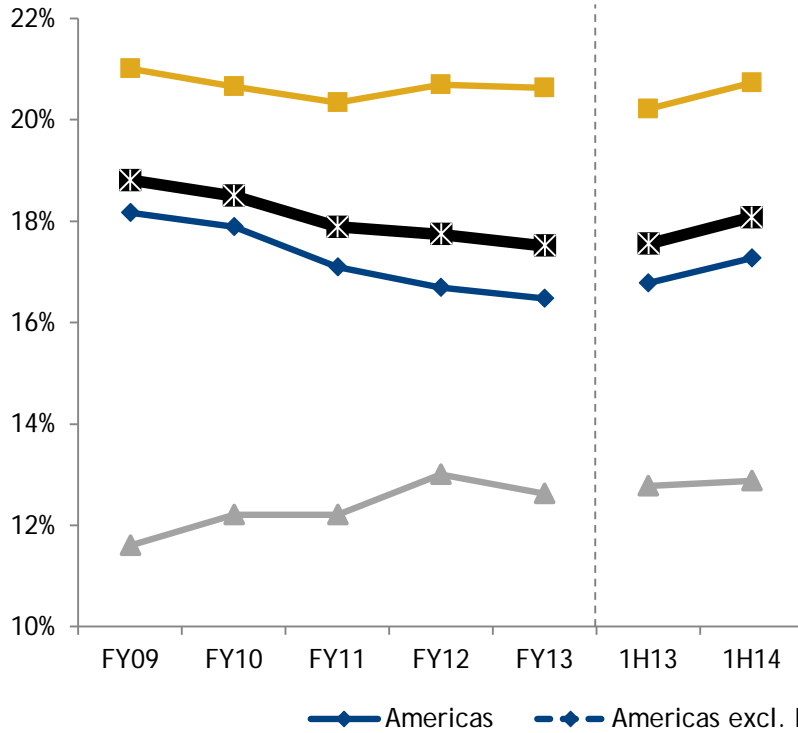
Strong 11% increase in operating profit vs. prior corresponding period

Group operating profit bridge (US\$M, continuing operations)

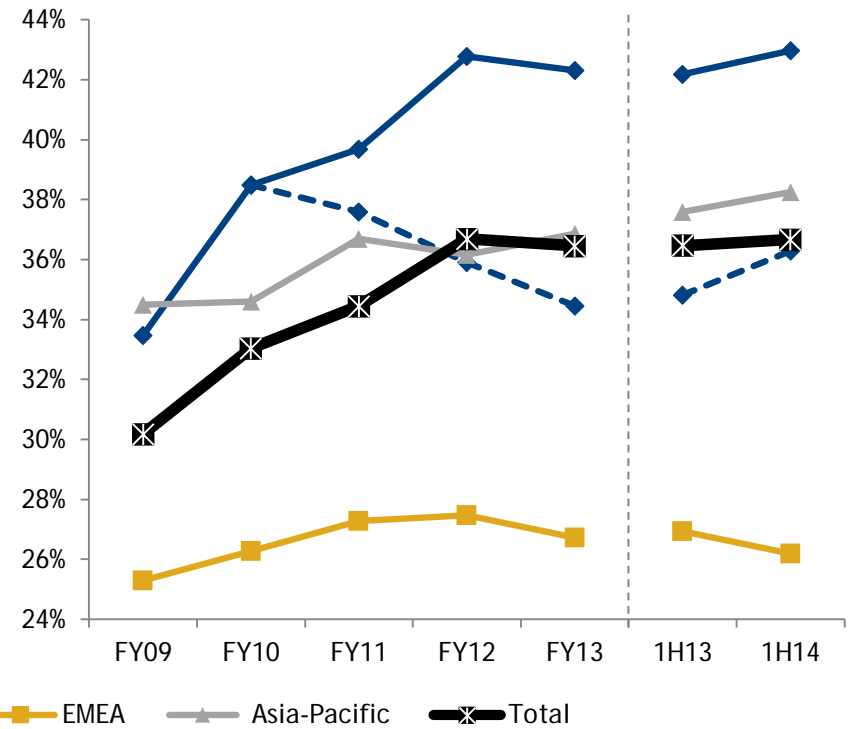


Cost headwinds in Pallets largely offset through pricing and efficiencies

Net transport costs to sales revenue

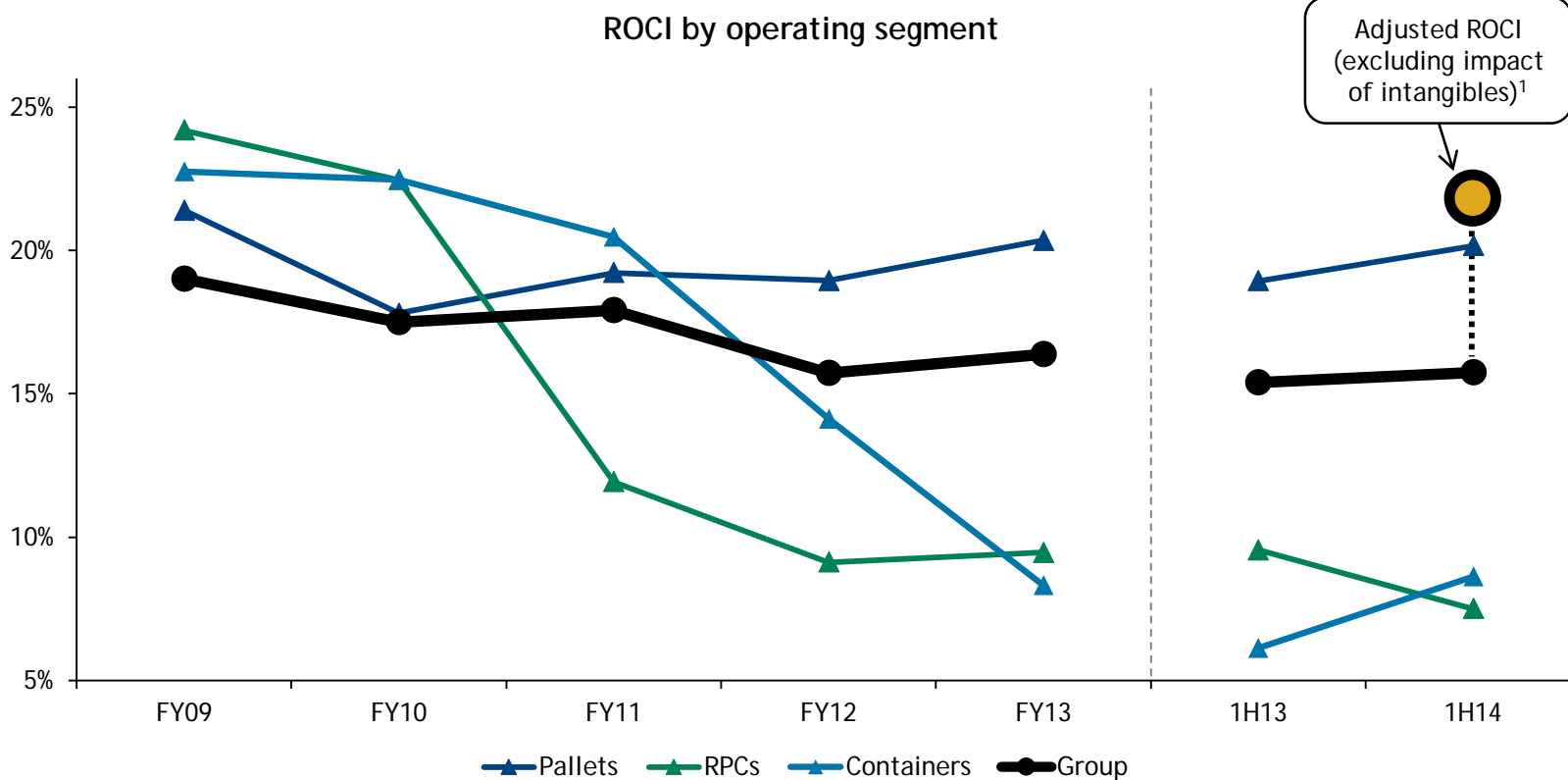


Plant costs to sales revenue



Note: FY09 costs includes Significant Items within ordinary activities

Group ROIC improvement consistent with long-term 20% objective



Note: FY09 costs includes Significant Items within ordinary activities

¹ Adjustments made to exclude acquired goodwill, intangible assets and the impact of amortisation of identifiable intangible assets

We are now in the detailed planning phase with our overheads program

- Program to be delivered over five-year period to FY19
 - Commitment to reduce overhead spending by US\$100M from FY14 levels
 - Additional opportunity for management of currently planned future increases - while supporting growth and asset efficiency initiatives
- Three core focus areas
 - Indirect procurement
 - Reduction of complexity and enhanced use of technology for customers
 - Internal efficiencies from leveraging our scale and global best practices
- Detailed planning underway as part of FY15 budget process
 - Forecast phasing of delivery to be communicated at FY14 results
 - Smaller share of savings anticipated during FY15

Cash Flow from Operations showed a solid improvement in the half

(US\$M)	1H14	1H13	Change
EBITDA	719	664	55
Capital expenditure	(433)	(422)	(11)
Proceeds from sale of PP&E	34	35	(1)
Working capital movement	27	(16)	43
IPEP expense	50	54	(4)
Provisions/other	(21)	(20)	(1)
Cash Flow from Operations	376	295	81
Significant Items	(21)	(16)	(5)
Discontinued operations	(22)	62	(84)
Financing costs and tax	(151)	(165)	14
Free Cash Flow	183	177	6
Dividends paid	(199)	(210)	11
Free Cash Flow after dividends	(16)	(33)	17

Outlook & Summary

Tom Gorman, CEO



We are confirming our FY14 outlook in line with our previous guidance¹

- Continuing operations
 - Constant-currency sales revenue growth of approximately 7%
 - Underlying Profit of US\$930M to US\$965M (30 June 2013 FX)²
- Net finance costs at approximately US\$110M (30 June 2013 FX)
- Effective underlying tax rate of 29% (after finance costs)
- Board intends to keep annual dividend at least FY13 levels, as per Scheme Book commentary

¹ All guidance provided subject to the disclaimer on Slide 26

² On a comparable basis (i.e. ex-Recall and at 30 June 2013 FX rates), 1H14 Underlying Profit of US\$458M translates to US\$452M and FY13 Underlying Profit of US\$913M translates to US\$895M

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Q&A

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Appendices

Appendix 1: Glossary of terms and measures

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

Actual currency/FX	In the statutory financial statements, Brambles translates foreign currency results into US dollars at the applicable actual monthly exchange rates ruling in each period.
Average Capital Invested (ACI)	Brambles defines Average Capital Invested as a monthly average of capital invested in the period, calculated as net assets before tax balances, cash and borrowings but after adjustment for accumulated pre-tax Significant Items, actuarial gains and losses and net equity adjustments for equity-settled share-based payments.
Capital expenditure (capex)	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.
Cash Flow from Operations	Brambles defines Cash Flow from Operations as operating cash flow generated after net capital expenditure but excluding Significant Items that are outside the ordinary course of business.
Constant currency/FX	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.
Earnings per share (EPS)	Profit after tax, minority interests and Significant Items, divided by shares in issue.
EBITDA	Earnings before interest, tax, depreciation and amortisation - defined as operating profit from continuing operations after adding back depreciation and amortisation and Significant Items outside the ordinary course of business.
Free cash flow	Brambles defines free cash flow as cash flow generated after net capital expenditure, finance costs and tax, but excluding the net cost of acquisitions and proceeds from business disposals.

Appendix 1: Glossary of terms and measures (continued)

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

Net new business	Brambles defines net new business wins as the change in sales revenue in the reporting period resulting from business won or lost in that period and the previous financial year. The revenue impact of net new business wins is included across reporting periods for a total of 12 months from the date of the win or loss and calculated on a constant currency basis.
Operating profit	Operating profit is profit before finance costs and tax, as shown in the statutory financial statements.
Organic growth	The change in sales revenue in the reporting period resulting from like-for-like sales of the same products with the same customers.
PMS	Pallet Management Services, a division of Brambles operating under the IFCO brand in the USA.
Return on Capital Invested (ROCI)	Return on capital invested is Underlying Profit divided by Average Capital Invested.
RPC	Reusable plastic/produce crate, used to transport fresh produce.
Sales revenue	Excludes revenues of associates and non-trading revenue.
Significant Items	Brambles defines Significant Items as 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"> • 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.
Underlying Profit	Brambles defines Underlying Profit as profit from Continuing Operations before finance costs, tax and Significant Items.

Appendix 2: 1H14 currency mix

(US\$M)	Total	USD	EUR	GBP	AUD	Other
Pallets	2,042.2	865.6	412.8	178.2	141.3	444.3
RPCs	440.9	84.4	214.2	28.1	40.0	74.2
Containers	186.2	31.9	70.3	16.4	27.4	40.2
Sales revenue	2,669.3	981.9	697.3	222.7	208.7	558.7
Operating Profit	452.9	121.0	131.6	39.0	47.2	114.1
Net debt ¹	2,391.8	1,625.9	958.4	(6.7)	(315.3)	129.5

¹ Net debt shown after adjustments for impact of financial derivatives

Appendix 3: Major currency exchange rates

USD exchange rate:	USD	EUR	GBP	AUD	CAD	MXN	ZAR
Average							
1H14	1.0000	1.3488	1.5923	0.9115	0.9546	0.0765	0.0984
1H13	1.0000	1.2785	1.5981	1.0397	1.0058	0.0764	0.1177
As at							
31 December 13	1.0000	1.3807	1.6494	0.8924	0.9394	0.0765	0.0959
30 June 13	1.0000	1.3015	1.5206	0.9134	0.9507	0.0772	0.1010
Share of 1H14 sales revenue	37%	26%	8%	8%	6%	3%	3%

Appendix 4: Significant Items

Continuing operations (US\$M)	1H14	1H13
Underlying Profit	458.1	417.6
Significant Items:		
Acquisition-related costs	-	(4.5)
Restructuring & integration costs	(5.2)	(4.1)
Subtotal	(5.2)	(8.6)
Operating profit	452.9	409.0

Appendix 5: Reconciliation of profit for the period

(US\$M)	1H14	1H13
Profit after tax - continuing operations	280.4	252.9
Discontinued operations:		
Operating profit	53.8	72.4
Net finance costs	(0.5)	(0.1)
Profit on demerger	663.7	-
Profit before tax	717.0	72.3
Tax expense	(38.4)	(22.7)
Profit from discontinued operations	678.6	49.6
Profit for the period	959.0	302.5

Appendix 6: Effective tax rate

Continuing operations (US\$M)	1H14		1H13	
	Statutory	Underlying	Statutory	Underlying
Profit before tax	396.0	401.2	354.4	363.0
Tax expense	115.6	117.1	101.5	102.8
Effective tax rate	29.2%	29.2%	28.6%	28.3%

Appendix 7: Key balance sheet ratios

	December 2013	June 2013
Net debt (US\$M)	2,392	2,714
Net debt to net debt plus equity (%)	48.0	47.3

	1H14 ¹	1H13
EBITDA/net finance costs (x)	12.6	14.0
Net debt/EBITDA (x)	1.66	1.74

¹ Shown for continuing operations only.

Appendix 8: Credit facilities and debt profile

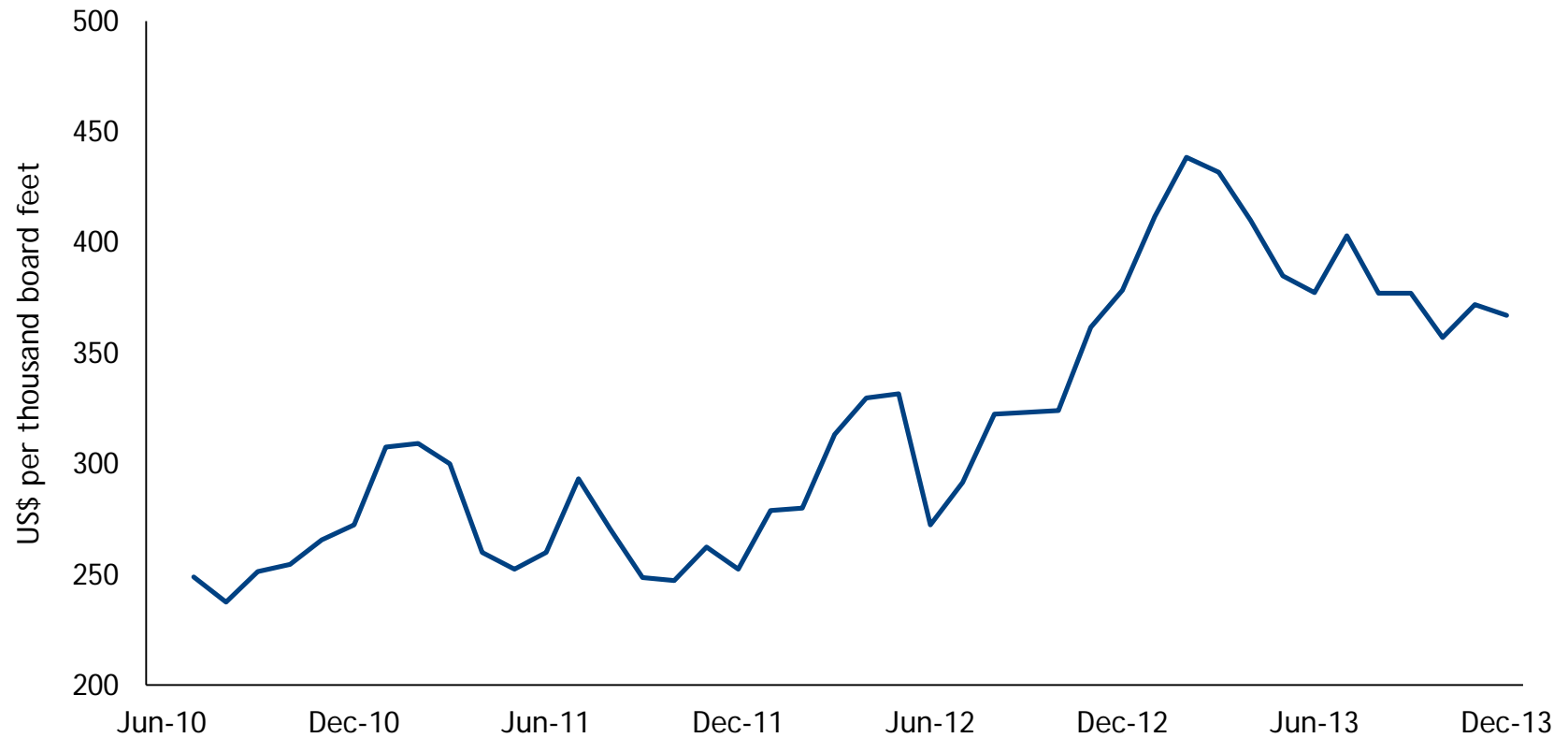
Maturity	Type	US\$B at 31 December 2013			
		Committed facilities	Uncommitted facilities	Debt drawn	Headroom
<12 months	Bank/USPP ¹ /Other	0.2	0.2	0.2	0.2
1 to 2 years	Bank/144A ² /Other	0.7	-	0.3	0.4
2 to 3 years	Bank/USPP ¹ /Other	1.0	-	0.7	0.3
3 to 4 years	Bank/Other	0.6	-	0.4	0.2
4 to 5 years	Bank/EMTN ³	1.0	-	0.8	0.2
>5 years	USPP ¹ /144A ²	0.5	-	0.5	-
Total		4.0	0.2	2.9	1.3

¹ US Private Placement notes

² US 144A bonds

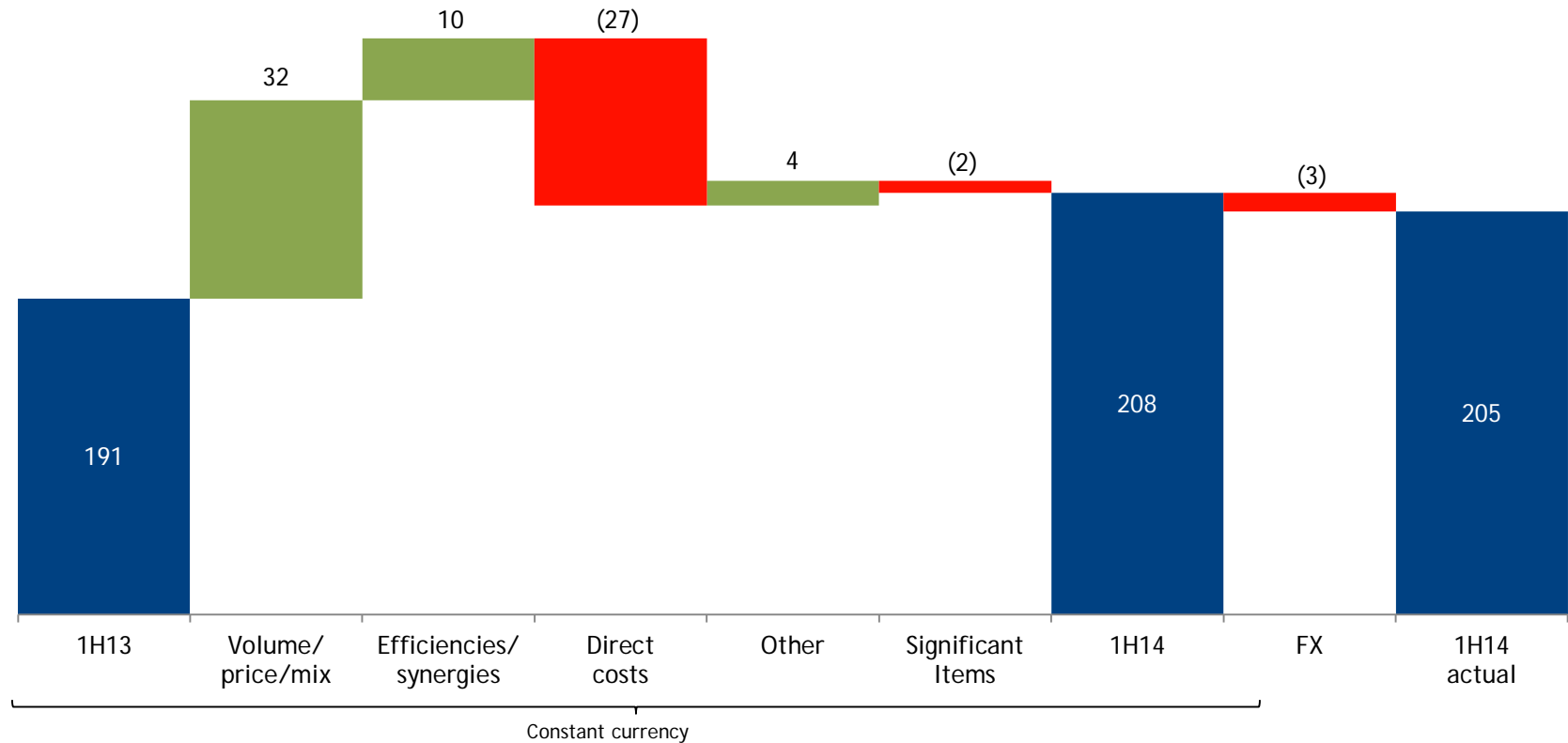
³ Euro Medium Term Note

Appendix 9: US Lumber prices

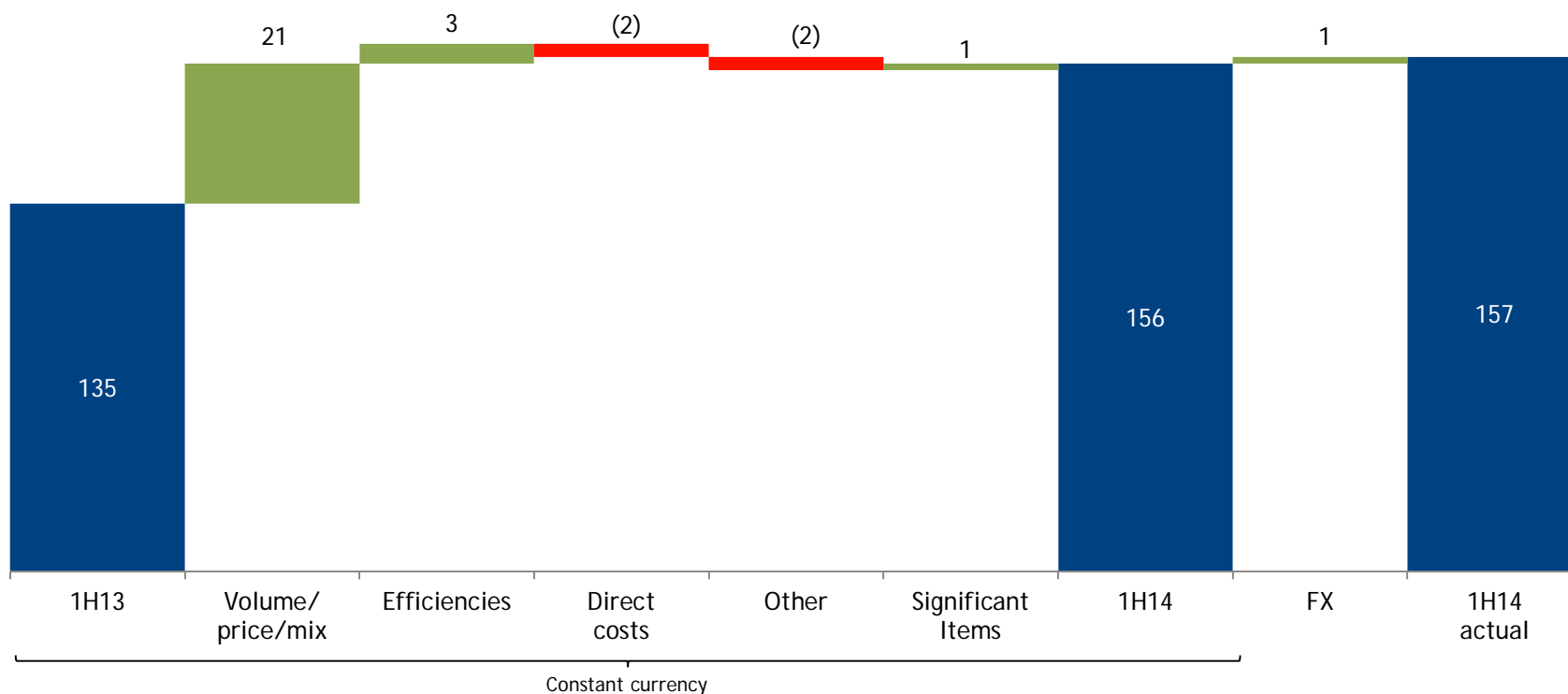


Source: *Random Lengths*

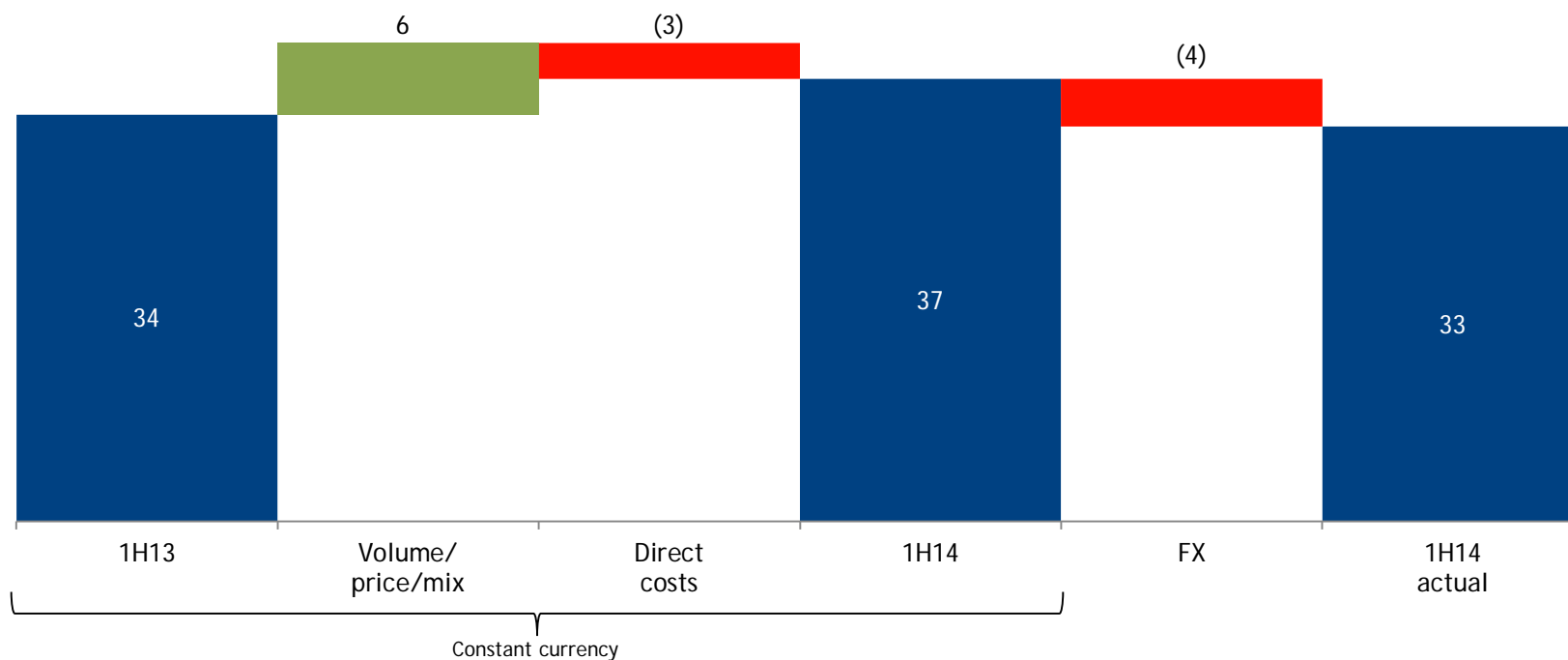
Appendix 10a: Pallets Americas operating profit reconciliation (US\$M)



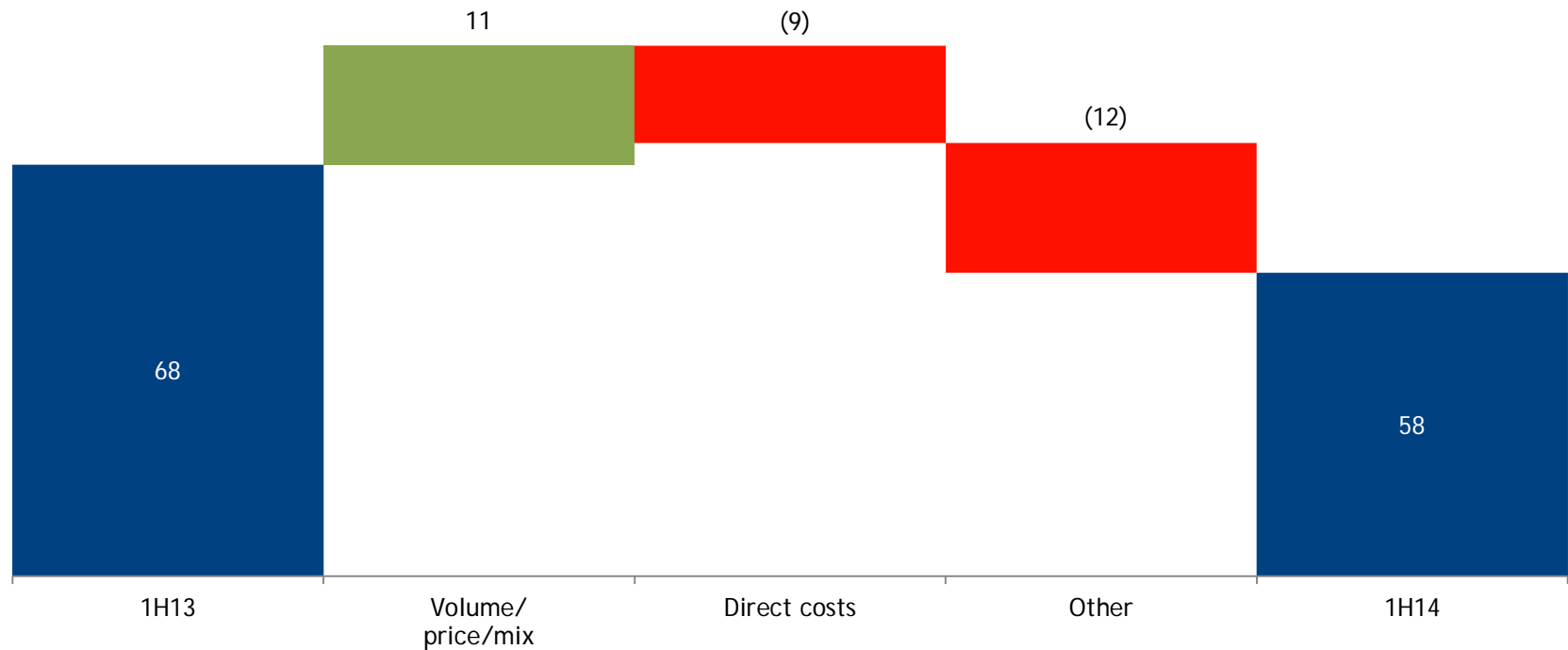
Appendix 10b: Pallets EMEA operating profit reconciliation (US\$M)



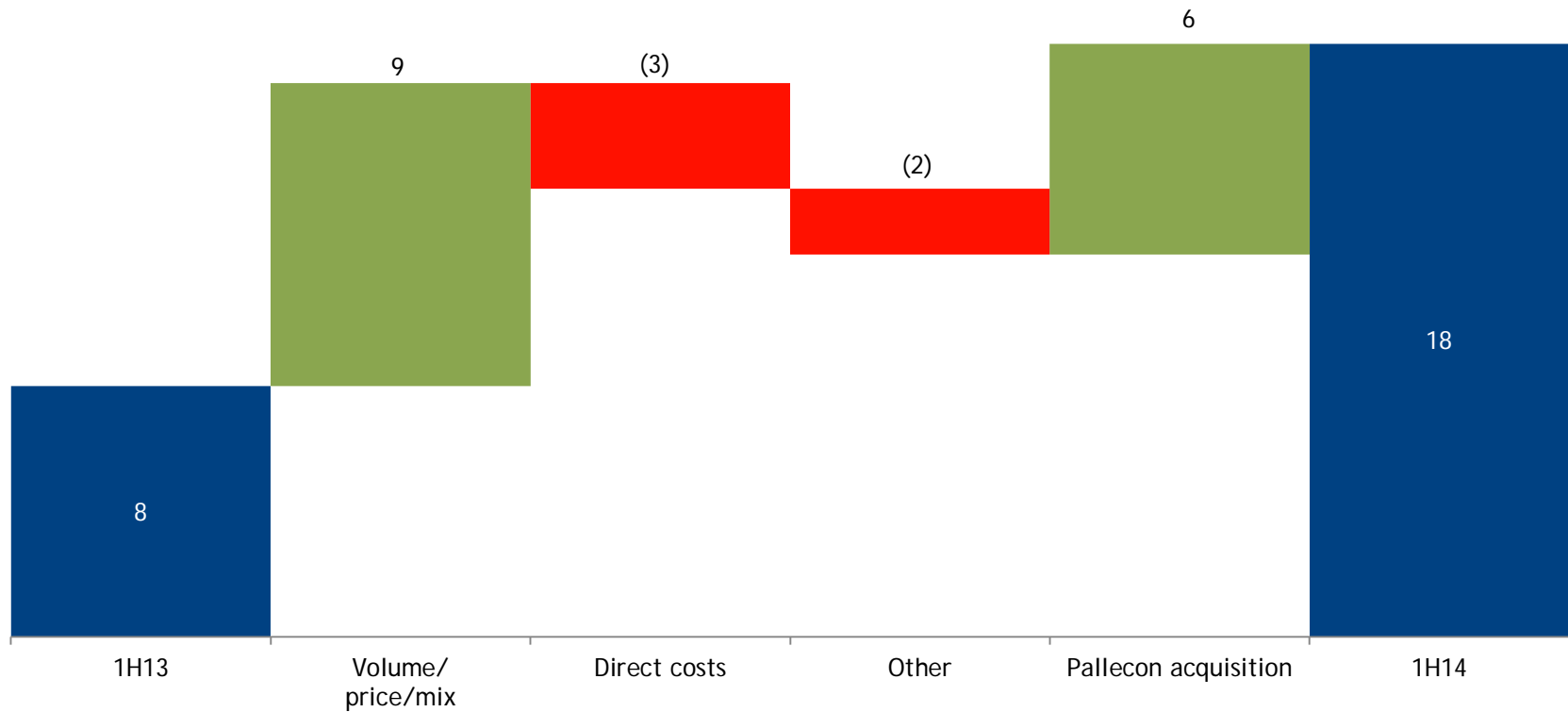
Appendix 10c: Pallets Asia-Pacific operating profit reconciliation (US\$M)



Appendix 10d: RPCs operating profit reconciliation (US\$M)

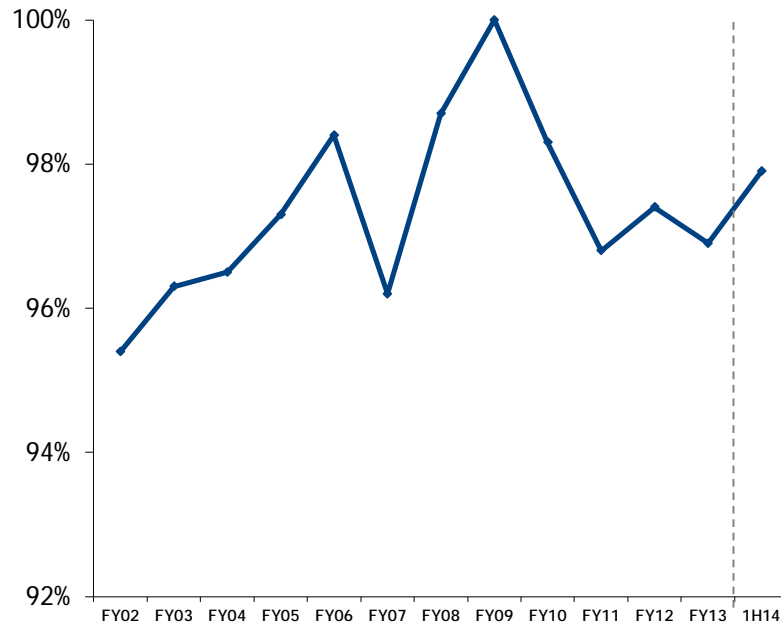


Appendix 10e: Containers operating profit reconciliation (US\$M)

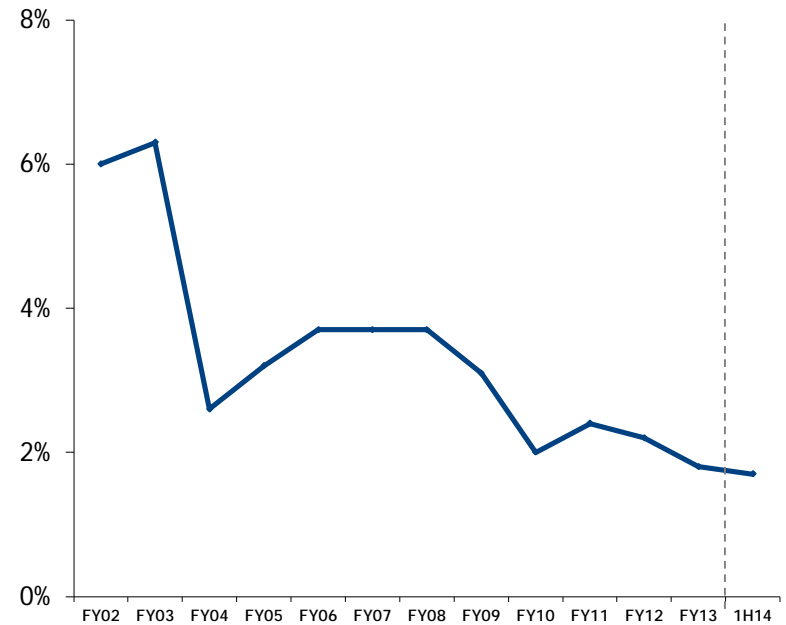


Appendix 11a: CHEP USA pallet productivity trends (B4840)

Control ratio
(Returns + recoveries/total issues)

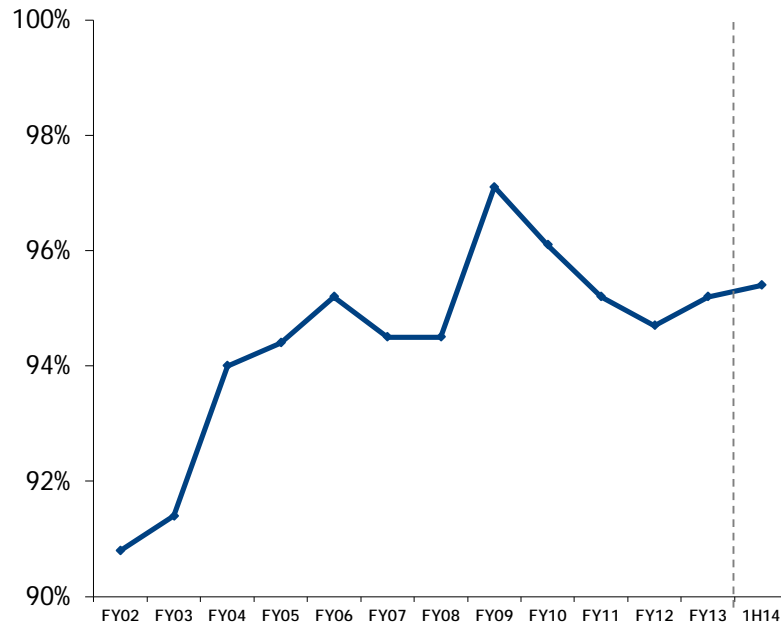


New equipment issue ratio
(Pallets purchased/total issues)

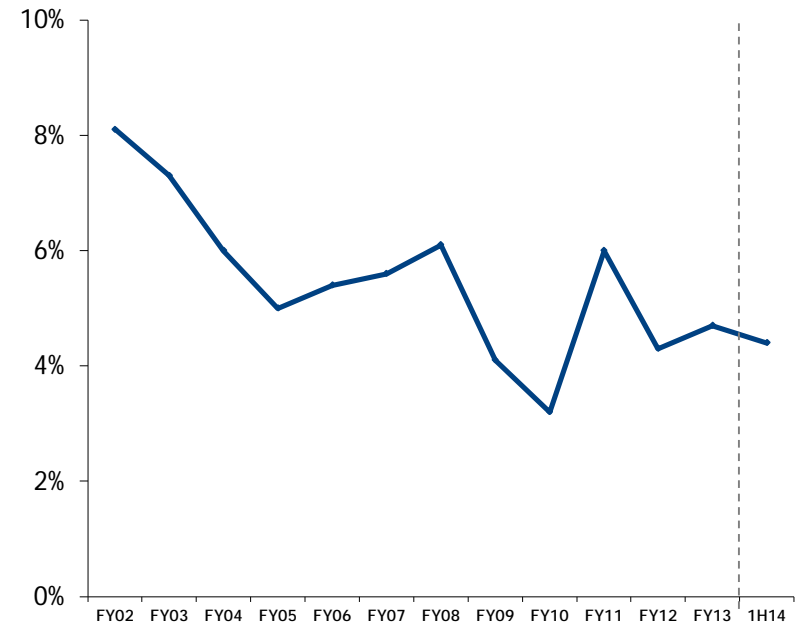


Appendix 11b: CHEP Europe pallet productivity trends (B1210 and B1208)

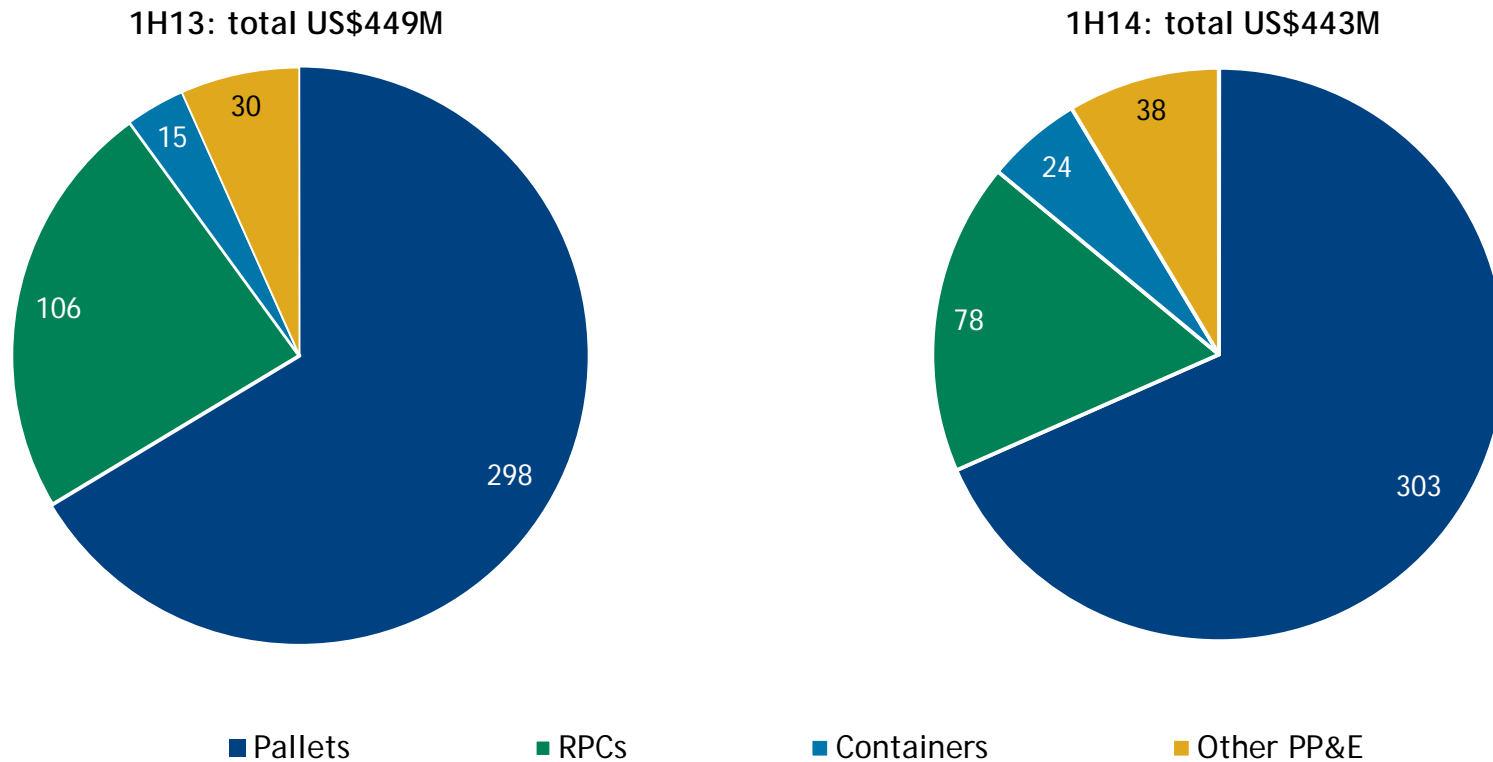
Control ratio
(Returns + recoveries/total issues)



New equipment issue ratio
(Pallets purchased/total issues)



Appendix 12: Capital expenditure breakdown by nature (accruals basis)



Note: Property, plant and equipment cash capex in 1H14 was US\$433M compared with US\$422M in 1H13

