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23 February 2015

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

Via electronic lodgement

Dear Sir / Madam

Brambles reports results for the half-year ended 31 December 2014

Attached is a release to the Exchange from Brambles Limited on its financial report for the half-year ended 31 December 2014.

Yours faithfully
Brambles Limited

Robert Gerrard
Group Company Secretary

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23 February 2015

ASX & Media Release

Brambles

Brambles delivers solid first-half 2015 result; full-year 2015 guidance maintained

- Sales growth in global Pallets operations reflecting continued resilience of organic volumes in major markets, modest pricing growth and ongoing new business wins
- Pallets EMEA profit growth from supply-chain efficiencies and improved sales mix more than offsets cost challenges in Americas to drive overall Pallets segment result
- Strong sales and profit growth in Reusable Produce Crates (RPCs) and Intermediate Bulk Containers (IBCs) businesses worldwide as a result of continued market-share gains
- Contribution of Ferguson Group since September 2014 acquisition in line with Brambles' expectations; strategic opportunity in oil and gas sector remains despite present industry conditions
- FY15 guidance maintained: Underlying Profit[1] expected to be between US$1,055 million and US$1,085 million at 30 June 2014 foreign exchange rates
- Interim dividend increased to 14.0 Australian cents per share

Results Highlights

(Continuing operations)	1H15 result	Growth vs. 1H14 (actual FX)	Growth vs. 1H14 (constant FX)
Sales revenue	US$2,795.1M	5%	8%
Operating profit	US$466.1M	3%	7%
Profit after tax	US$286.1M	2%	6%
Basic earnings per share	US18.3¢	2%	6%
Underlying Profit	US$485.2M	6%	10%
Return on Capital Invested[2]	15.5%	(0.2)pp	(0.1)pp
Cash Flow from Operations[3]	US$268.6M	US$(107.2)M	
Interim dividend per share	AU14.0¢	AU0.5¢	

Brambles generated sales revenue of US$2,795 million in the six months ended 31 December 2014, up 5% (up 8% at constant currency). The difference between actual and constant-currency growth primarily reflected the impact of the stronger US dollar. Sales growth resulted from the continued delivery of the Group's organic growth strategy in the Pallets, RPCs and Containers segments and the acquisition of Ferguson Group[4].

Operating profit was US$466 million, up 3% (up 7% at constant currency). Underlying Profit, which excludes Significant Items, was US$485 million, up 6% (up 10% at constant currency)[5]. Efficiencies and sales mix benefits in the European Pallets business and profitability gains throughout RPCs more than offset direct cost increases in the North American Pallets business resulting from improved asset utilisation and heightened transport inflation.

Return on Capital Invested was 15.5%, down 0.2 percentage points (down 0.1 percentage points at constant currency) reflecting the impact on capital invested of acquisitions[6]. Excluding this impact, Return on Capital Invested was 16.0 per cent, up 0.3 percentage points (up 0.5 percentage points at constant currency).

Cash Flow from Operations was US$269 million, down US$107 million, primarily reflecting the increased capital expenditure required to support expansion, in particular in the RPCs business.

[1] Profit from continuing operations before finance costs, tax and Significant Items.
[2] Underlying Profit divided by Average Capital Invested.
[3] Cash flow generated after net capital expenditure but excluding Significant Items that are outside the ordinary course of business.
[4] Excluding the contribution of acquisitions since the prior corresponding period, constant-currency sales revenue growth was 6%.
[5] Excluding the contribution of acquisitions since the prior corresponding period, constant-currency Underlying Profit growth was 8%.
[6] Acquisitions since the prior corresponding period were Airworld, Transpac and Ferguson Group.

Dividend

The Board has declared an interim dividend of 14.0 Australian cents per share, up 0.5 Australian cents per share on both the 2014 interim and final dividends, and franked at 30%[7]. Brambles' Chairman Stephen Johns said: "The increase to the 2015 interim dividend reflects our commitment to maintain our progressive dividend policy post the Recall demerger and our confidence in the outlook for Brambles."

CEO Commentary

Brambles' CEO Tom Gorman said: "This first-half result reflects positive bottom-line leverage from sales revenue to Underlying Profit, despite the current cost challenges in North America. We remain on track to deliver our near-term targets for the 2015 financial year while supporting our ongoing objectives to be a supply-chain partner of choice to our customers and deliver sustainable profitable growth for our shareholders.

"In the Pallets business, the highlight of 1H15 was the performance in Europe, where the delivery of operating efficiencies and sales mix improvements were particularly strong in the first half. This more than offset the impact of higher operating costs in North America, where plant costs continue to reflect the anticipated increased pallet damage that is resulting from improved asset utilisation, and third-party freight costs are subject to heightened inflation as a result of regulatory changes and driver shortages. We are implementing self-funding pallet durability improvements in FY16, which we expect will reduce cost pressures associated with pallet damage. However, transport inflation is likely to remain a challenge in the near term.

"In the RPCs business, we are pleased with our sales and profitability momentum as we continue to invest in the expansion of these operations. In our Containers segment, 1H15 delivered a strong result in IBCs and new business growth in Aerospace, but reflected specific challenges in the Australian and European Automotive markets. We are satisfied with the first four months' contribution from Ferguson Group, which delivered a solid performance in line with our expectations amid challenging conditions in the oil and gas sector. We continue to focus on the strategically significant growth characteristics of this sector despite current industry pressures related to commodity prices.

"We continue to assess a broad range of growth opportunities that are complementary to our long-term objectives. At the same time, we are executing the early stages of our business improvement program, One Better and, as a result, we are on track to deliver efficiencies that will both free up funding for innovation and drive a reduction in our ratio of overheads to sales over time."

Outlook

Brambles has maintained its guidance for the 2015 financial year for: constant-currency sales revenue growth of 8% to 9%; Underlying Profit between US$1,055 million and US$1,085 million (at 30 June 2014 foreign exchange rates); and a year-on-year increase in Return on Capital Invested, prior to acquisition impacts.

Mr Gorman said: "Our sales and profit guidance reflects the strength of our portfolio and implies continued positive operating leverage despite the short-term cost challenges we are working through in the North American Pallets business. While geopolitical and economic uncertainty is an ongoing reality, we are confident of continuing to deliver our strategic objectives and of providing value for customers and shareholders."

Further Information

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[7] The unfranked component of the final dividend is conduit foreign income. Consequently, shareholders not resident in Australia will not pay Australian dividend withholding tax on this dividend.

Brambles Limited (ASX:BXB) is a supply-chain logistics company operating in more than 50 countries, primarily through the CHEP and IFCO brands. The Group specialises in the pooling of unit-load equipment and associated services, focusing on the outsourced management of pallets, crates and containers. Brambles primarily serves the consumer goods, dry grocery, fresh food, retail and general manufacturing supply chains. In addition, the Group operates specialist businesses serving the automotive, aviation and oil and gas sectors. Brambles employs 14,000 people and owns 500 million pallets, crates and containers through its global network of service centres. For further information, please visit www.brambles.com.

Forward-Looking Statements

Certain statements made in this release are "forward-looking statements" – that is, statements related to future, not past, events. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements. These forward-looking statements are not historical facts but rather are based on Brambles' current beliefs, assumptions, expectations, estimates and projections. Forward-looking statements are not guarantees of future performance, as they address matters that are uncertain and subject to known and unknown risks, uncertainties and other factors that are beyond the control of Brambles, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Brambles cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the views of Brambles only as of the date of this release. The forward-looking statements made in this release relate only to events as of the date on which the statements are made – Brambles will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or events occurring after the date of this release, except as may be required by law or by any appropriate regulatory authority.

Brambles

Key Metrics Summary[8]

US$M			Growth	
(Continuing operations)	1H15	1H14	Actual FX	Constant FX
Sales revenue	2,795.1	2,669.3	5%	8%
Operating profit	466.1	452.9	3%	7%
Significant Items[9]	(19.1)	(5.2)		
Underlying Profit	485.2	458.1	6%	10%
Average Capital Invested[10]	6,278.5	5,831.8	8%	11%
Return on Capital Invested	15.5%	15.7%	(0.2)pp	(0.1)pp
Brambles Value Added[11]	125.6	115.5		10.1
Cash Flow from Operations	268.6	375.8	(107.2)	

In the six months ended 31 December 2014 (1H15), Brambles' results reflected the Group's objective to create sustainable shareholder value and were consistent with its targets for the five years to FY19 and guidance for FY15:

Sales revenue was US$2,795.1 million, up 5%. Constant-currency sales revenue growth of 8% was in line with guidance of 8% to 9% constant-currency growth for FY15 and the five-year objective for average annual constant-currency sales revenue growth in the high single digits. Constant-currency growth in 1H15 was driven by: volume, price and new business growth in the Pallets segment; conversions with existing retail partners and new retailers in the Reusable Produce Crates (RPCs) segment; and the September 2014 acquisition of Ferguson Group in Containers. Excluding the contribution of acquisitions since 1H14, constant-currency sales revenue growth was 6%.

Underlying Profit was US$485.2 million, up 6%. Constant-currency growth of 10% was in line with the 9% to 12% growth range implied by the FY15 profit guidance of US$1,055 million to US$1,085 million[12]. The 1H15 constant-currency growth primarily reflected: sales growth; delivery of US$12 million of Global Supply Chain[13] efficiencies in the Pallets segment; modest pricing and sales mix improvements in the Pallets Europe, Middle East & Africa (EMEA)[14] business; the contribution of Ferguson in Containers; minimal overheads growth throughout the business; and a continued reduction in the Irrecoverable Pooling Equipment Provision expense. These drivers more than offset the impact of higher direct costs, primarily from asset management impacts and transport inflation in Pallets Americas, as well as the recognition within continuing operations of an additional US$10 million of corporate costs (which were recharged to the Recall business in 1H14). Excluding acquisitions, constant-currency Underlying Profit growth was 8%.

Average Capital Invested was US$6,278.5 million, up 8% (up 11% at constant currency). Excluding the impact of acquisitions since 1H14, constant-currency growth was 5%, in line with the Group's target for compound annual growth of 5% over the five years to FY19. The increase in 1H15 reflected capital expenditure to support growth.

Return on Capital Invested was 15.5%, down 0.2 percentage points (down 0.1 percentage points at constant currency), reflecting acquisitions since 1H14. Excluding these acquisitions, Return on Capital Invested was 16.0%, up 0.3 percentage points (up 0.5 percentage points at constant currency). The Group remains on target to deliver improved Return on Capital Invested in FY15 and remains committed to the target of at least 20% by FY19 set in December 2013 (excluding acquisition impacts since that date).

Cash Flow from Operations was US$268.6 million, down US$107.2 million, primarily as a result of the increase in capital expenditure to support growth and movements in working capital.

Brambles Value Added was US$125.6 million, up US$10.1 million. Strong improvements in Pallets EMEA and RPCs reflected profit growth. This more than offset a decline in Pallets Americas, in line with the profit decline in that business, and the short-term impact of increased capital invested from acquisitions in Containers.

Dividend

The Board has declared an interim dividend for 2015 of 14.0 Australian cents per share (30% franked), up 0.5 Australian cents per share, or 4%, compared with both the previous interim and final dividends. The 2015 interim dividend is payable on 9 April 2015 to shareholders on the Brambles register at 5pm on 13 March 2015. The ex-dividend date is 11 March 2015.

The unfranked component of the interim dividend is conduit foreign income. Consequently, shareholders not resident in Australia will not pay Australian dividend withholding tax on this dividend.

[8] All results are shown for continuing operations only unless stated.
[9] Items of income or expense that are, either individually or in aggregate: material to Brambles or the relevant business segment; and either outside the ordinary course of business or part of the ordinary activities of the business but unusual in size or nature.
[10] A six-month average of capital invested. Capital invested is calculated as net assets before tax balances, cash and borrowings, but after adjustment for accumulated pre-tax Significant Items, actuarial gains or losses and net equity adjustments for equity-settled share-based payments.
[11] Represents the value generated over and above the cost of the capital used to generate that value. Calculated at 30 June 2014 foreign 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 and multiplied by 12%.
[12] FY15 Underlying Profit guidance is at 30 June 2014 foreign exchange rates.
[13] Program launched in FY12 for completion in FY15 to reduce global direct costs by US$100 million through Pallets supply chain and logistics efficiencies and IFCO integration synergies.
[14] Pallets EMEA includes India, following the change in management reporting lines that occurred during the period. Prior period comparatives reflect this change.

Profit Reconciliation

US$M			Growth	
	1H15	1H14	Actual FX	Constant FX
Underlying Profit	485.2	458.1	6%	10%
Significant Items	(19.1)	(5.2)		
Operating profit	466.1	452.9	3%	7%
Net finance costs	(59.1)	(56.9)		
Tax expense	(120.9)	(115.6)		
Profit after tax	286.1	280.4	2%	6%
Weighted average number of shares (M)	1,564.1	1,558.2		
Basic EPS (US cents)	18.3	18.0	2%	6%

Operating profit was US$466.1 million, up 3% (up 7% at constant currency). Profit after tax was US$286.1 million, up 2% (up 6% at constant currency), reflecting the higher operating profit and modest increases in net finance costs and tax expense. Basic earnings per share was 18.3 US cents, up 2% (up 6% at constant currency).

Significant Items comprised: restructuring and integration costs of US$12.2 million, primarily in relation to the One Better business improvement program; and acquisition-related costs of US$6.9 million, mostly in relation to the Ferguson acquisition.

Net Debt & Key Ratios

US$M	Dec 2014	Jun 2014	Change
Current debt	361.0	497.8	(136.8)
Non-current debt	2,701.2	2,086.2	615.0
Gross debt	3,062.2	2,584.0	478.2
Cash	(216.1)	(222.3)	6.2
Net debt	2,846.1	2,361.7	484.4
KEY RATIOS	**1H15**	**1H14**	
Net debt to EBITDA	1.86x	1.66x	
EBITDA interest cover	12.9x	12.6x	

Net debt was US$2,846.1 million at 31 December 2014, up US$484.4 million from 30 June 2014, reflecting the debt funding of the Ferguson acquisition. As a result, the ratio of net debt to EBITDA increased to 1.86 times, slightly higher than the Group's financial policy of 1.75 times. The Group is on track to bring the net debt to EBITDA ratio back within the financial policy by the end of FY15. Unused, committed borrowing facilities were US$1.1 billion at 31 December 2014.

Cash Flow Reconciliation

US$M	1H15	1H14	Change
Underlying Profit	485.2	458.1	27.1
Depreciation and amortisation	278.2	260.5	17.7
EBITDA[15]	763.4	718.6	44.8
Capital expenditure	(521.2)	(433.4)	(87.8)
Proceeds from sale of PP&E	38.3	34.3	4.0
Working capital movement	(27.4)	26.8	(54.2)
IPEP expense	42.1	50.1	(8.0)
Other	(26.6)	(20.6)	(6.0)
Cash Flow from Operations	268.6	375.8	(107.2)
Significant Items and discontinued operations	(27.2)	(42.3)	15.1
Financing costs and tax	(126.9)	(150.6)	23.7
Free Cash Flow[16]	114.5	182.9	(68.4)
Dividends paid	(186.2)	(198.7)	12.5
Free Cash Flow after dividends	(71.7)	(15.8)	(55.9)

Cash Flow from Operations was US$268.6 million, down US$107.2 million. Capital expenditure of US$521.2 million was up US$87.8 million, reflecting an increase to support strong growth and crate availability in RPCs, new customers and organic growth in Pallets and the acquired Ferguson business.

Replacement capital expenditure as a proportion of total capital expenditure on pooling equipment reduced to approximately 60%, consistent with the target for FY19, primarily reflecting increased growth capital expenditure, with modest capital efficiency improvements.

The variance in working capital movement of US$(54.2) million primarily reflected the timing of supplier payments.

[15] 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.

[16] Cash flow generated after net capital expenditure, finance costs and tax, but excluding the net cost of acquisitions and proceeds from business disposals.

Segment Analysis

Pallets Americas

US$M			Growth	
	1H15	1H14	Actual FX	Constant FX
Sales revenue	1,180.6	1,142.4	3%	5%
Operating profit	184.2	204.6	(10)%	(8)%
Significant Items	(6.2)	(1.2)		
Underlying Profit	190.4	205.8	(7)%	(5)%
Average Capital Invested	2,301.6	2,244.9	3%	4%
Return on Capital Invested	16.5%	18.3%	(1.8)pp	(1.6)pp

Sales revenue in Pallets Americas was US$1,180.6 million, up 3%. Constant-currency growth of 5% reflected broadly equal contributions from pricing growth, improved organic volumes and net new business wins[17].

- North America sales revenue was US$1,046.5 million, up 4% (up 4% at constant currency), primarily reflecting strong net new business wins and organic volume growth across the pooled pallet operations in both the USA and Canada and modest price increases in the recycled pallet operations. Within North America: USA pooled pallet sales revenue was US$677.6 million, up 4% (up 4% at constant currency); USA recycled pallet sales revenue was US$212.7 million, up 3% (up 3% at constant currency); Canada sales revenue was flat at US$144.7 million (up 6% at constant currency); and LeanLogistics sales revenue was US$11.5 million, up 7% (up 8% at constant currency).
- Latin America sales revenue was US$134.1 million, up 2%. At constant currency, growth of 10% reflected a moderation compared with prior recent periods, resulting from supply-chain disruption from economic volatility in some parts of the region.

Underlying Profit was US$190.4 million, down 7%. The constant-currency decline was 5% as sales revenue growth and the delivery of US$3 million of efficiencies under the Global Supply Chain program, as well as overhead controls, were insufficient to offset direct cost impacts. In constant-currency terms, the primary drivers of the direct cost increase were:

- The short-term impact of improved asset management practices in the USA and Canada (US$23 million). While expected to drive increased asset utilisation efficiency over time, these improvements continue to result in higher plant and transport costs in the short term as the network adjusts to consequent increases in pallet recoveries and damage rates;
- Net cost increases from transport carrier inflation in the USA (US$10 million), reflecting reduced availability and increased demand in the third-party road freight sector as economic activity continues to improve and the regulatory environment affecting trucking operators continues to tighten, creating shortages of fleet and driver availability; and
- Increased depreciation (US$6 million), reflecting growth in the size of the pool.

Return on Capital Invested was 16.5%, down 1.8 percentage points (down 1.6 percentage points at constant currency), reflecting the reduction in Underlying Profit.

Pallets EMEA

US$M			Growth	
	1H15	1H14	Actual FX	Constant FX
Sales revenue	728.6	718.8	1%	5%
Operating profit	183.4	155.8	18%	23%
Significant Items	-	-		
Underlying Profit	183.4	155.8	18%	23%
Average Capital Invested	1,310.7	1,320.6	(1)%	4%
Return on Capital Invested	28.0%	23.6%	4.4pp	4.3pp

Sales revenue in Pallets EMEA was US$728.6 million, up 1%. Constant-currency growth of 5% reflected: modest growth in pricing; net new business wins from continued expansion in under-penetrated regions; and modest organic volume growth as western European consumer staples markets continued their gradual stabilisation.

- Europe sales revenue was US$652.1 million, up 1% (5% at constant currency), within which: Mid Europe[18] was US$198.3 million, down 1% (up 4% at constant currency); UK & Ireland was US$191.8 million, up 3% (up 2% at constant currency); Iberia was US$124.4 million, down 1% (up 5% at constant currency); France was US$83.3 million, down 3% (up 2% at constant currency); and Central & Eastern Europe was US$54.3 million, up 15% (up 23% at constant currency).
- Africa, India & Middle East sales revenue was US$76.5 million, up 5%. Constant-currency growth of 11% was driven by strong growth in India and the Middle East and continued organic volume growth in South Africa.

Underlying Profit was US$183.4 million, up 18%. Constant-currency growth of 23% reflected: positive sales mix impacts; modest pricing growth; and US$8 million of efficiencies from plant automation and improved transport rates under the Global Supply Chain program.

Return on Capital Invested was 28.0%, up 4.4 percentage points (up 4.3 percentage points at constant currency), reflecting the strong Underlying Profit growth and relatively moderate increases in Average Capital Invested.

[17] The sales revenue impact in the reporting period from business won or lost in that period and over the previous financial year, included across reporting periods for 12 months from the date of the win or loss, at constant currency.

[18] Mid Europe comprises Germany, Italy, the Benelux region, Scandinavia, Switzerland and Austria.

Pallets Asia-Pacific

US$M			Growth	
	1H15	1H14	Actual FX	Constant FX
Sales revenue	181.4	181.0	-	3%
Operating profit	35.2	33.7	4%	8%
Significant Items	(0.7)	(0.4)		
Underlying Profit	35.9	34.1	5%	9%
Average Capital Invested	376.7	368.7	2%	4%
Return on Capital Invested	19.1%	18.5%	0.6pp	0.8pp

Sales revenue in Pallets Asia-Pacific was flat at US$181.4 million. At constant currency, sales revenue was up 3%, reflecting modest pricing increases in Australia, organic volume growth throughout the region and net new business wins.

- Australia & New Zealand sales revenue was US$158.5 million, down 1% (up 2% at constant currency).
- Asia sales revenue was US$22.9 million, up 7% (up 7% at constant currency), reflecting the focus on driving profitable growth in the wooden pallets business and focusing the legacy plastic pallets business on certain profitable niches.

Underlying Profit was US$35.9 million, up 5%. Constant-currency growth of 9% reflected the pricing component of sales revenue growth, as well as US$1 million of efficiencies under the Global Supply Chain program.

Return on Capital Invested was 19.1%, up 0.6 percentage points (up 0.8 percentage points at constant currency), reflecting Underlying Profit growth.

RPCs

US$M			Growth	
	1H15	1H14	Actual FX	Constant FX
Sales revenue	471.5	440.9	7%	11%
Operating profit	67.3	58.2	16%	19%
Significant Items	-	-		
Underlying Profit	67.3	58.2	16%	19%
Average Capital Invested	1,565.1	1,552.2	1%	4%
Return on Capital Invested	8.6%	7.5%	1.1pp	1.1pp

Sales revenue in RPCs was US$471.5 million, up 7% (up 11% at constant currency) as all regions delivered strong growth.

- Europe sales revenue was US$304.8 million, up 6% (up 11% at constant currency), reflecting conversions with both pre-existing and new retail partners.
- North America sales revenue was US$93.8 million, up 11% (up 11% at constant currency), as improved momentum in the business was sustained with continued conversion from cardboard boxes to RPCs at existing retail partners.
- Australia, New Zealand and South Africa sales revenue was US$60.4 million, up 6% (up 10% at constant currency), primarily reflecting growth from product expansion programs.
- South America sales revenue was US$12.5 million, up 14% (up 36% at constant currency), reflecting pricing growth and the continued conversion of a major retail partner in Brazil.

Underlying Profit was U$67.3 million, up 16% (up 19% at constant currency), reflecting sales revenue growth and relatively modest growth in ongoing costs.

Return on Capital Invested was 8.6%, up 1.1 percentage points (up 1.1 percentage points at constant currency), reflecting the improvement in Underlying Profit and a relatively modest increase in Average Capital Invested.

Containers

US$M			Growth	
	1H15	1H14	Actual FX	Constant FX
Sales revenue	233.0	186.2	25%	29%
Operating profit	30.2	17.8	70%	75%
Significant Items	(0.4)	(0.2)		
Underlying Profit	30.6	18.0	70%	76%
Average Capital Invested	769.5	417.4	84%	90%
Return on Capital Invested	8.0%	8.6%	(0.6)pp	(0.6)pp

Sales revenue in Containers was US$233.0 million, up 25% (up 29% at constant currency), primarily reflecting the contributions of the Transpac (June 2014), Airworld (February 2014) and Ferguson (September 2014) acquisitions. Excluding acquisitions, constant-currency sales revenue growth was 2%.

- Automotive sales revenue was US$74.3 million, down 6% (down 3% at constant currency) as continued strong growth in North America and India were insufficient to offset challenging industry conditions in Europe and Australia.
- Intermediate Bulk Containers sales revenue was US$65.9 million, up 22% (up 26% at constant currency), reflecting the acquisition of Transpac and solid growth from new business in all regions.
- Oil & Gas sales revenue was US$53.3 million, primarily reflecting US$34.8 million from four months of Ferguson ownership. Sales revenue in the pre-existing CHEP Catalyst & Chemical Containers business was US$18.5 million, down 12% (down 9% at constant currency) as a result of the timing of refinery turnaround activity in North America and Europe.
- Aerospace sales revenue was US$39.5 million, up 23% (up 26% at constant currency), reflecting the Airworld acquisition and business wins.

Underlying Profit was US$30.6 million, up 70% (up 76% at constant currency), reflecting the contribution of acquisitions and a broadly flat cost base. Excluding acquisitions, constant-currency Underlying Profit growth was 10%.

Return on Capital Invested was 8.0%, down 0.6 percentage points (down 0.6 percentage points at constant currency), despite the improved Underlying Profit, as a result of the increase in Average Capital Invested from acquisitions. Excluding acquisitions, Return on Capital Invested was 9.2%, up 0.6 percentage points (up 0.7 percentage points at constant currency).

Brambles

Background Information

(US$M)	1H15	1H14	2H14	FY14
Sales revenue				
Pallets Americas	1,180.6	1,142.4	1,159.5	2,301.9
Pallets EMEA	728.6	718.8	739.8	1,458.6
Pallets Asia-Pacific	181.4	181.0	181.9	362.9
Pallets	2,090.6	2,042.2	2,081.2	4,123.4
RPCs	471.5	440.9	454.9	895.8
Containers	233.0	186.2	199.1	385.3
Group	2,795.1	2,669.3	2,735.2	5,404.5
EBITDA				
Pallets Americas	298.1	308.0	333.1	641.1
Pallets EMEA	248.2	220.8	238.2	459.0
Pallets Asia-Pacific	56.9	55.0	63.5	118.5
Pallets	603.2	583.8	634.8	1,218.6
RPCs	118.8	108.0	117.7	225.7
Containers	62.8	39.8	42.4	82.2
Corporate	(21.4)	(13.0)	(25.1)	(38.1)
Group	763.4	718.6	769.8	1,488.4
Depreciation of property, plant and equipment				
Pallets Americas	98.1	92.3	94.7	187.0
Pallets EMEA	64.4	65.0	67.9	132.9
Pallets Asia-Pacific	20.8	20.9	21.2	42.1
Pallets	183.3	178.2	183.8	362.0
RPCs	41.1	39.0	38.7	77.7
Containers	28.6	19.7	20.3	40.0
Corporate	0.7	0.4	0.7	1.1
Group	253.7	237.3	243.5	480.8
Underlying Profit				
Pallets Americas	190.4	205.8	229.2	435.0
Pallets EMEA	183.4	155.8	170.3	326.1
Pallets Asia-Pacific	35.9	34.1	42.3	76.4
Pallets	409.7	395.7	441.8	837.5
RPCs	67.3	58.2	66.1	124.3
Containers	30.6	18.0	20.0	38.0
Corporate	(22.4)	(13.8)	(25.9)	(39.7)
Group	485.2	458.1	502.0	960.1
Operating profit				
Pallets Americas	184.2	204.6	214.4	419.0
Pallets EMEA	183.4	155.8	171.5	327.3
Pallets Asia-Pacific	35.2	33.7	42.1	75.8
Pallets	402.8	394.1	428.0	822.1
RPCs	67.3	58.2	66.1	124.3
Containers	30.2	17.8	18.1	35.9
Corporate	(34.2)	(17.2)	(35.6)	(52.8)
Group	466.1	452.9	476.6	929.5

Brambles

(US$M)	1H15	1H14	2H14	FY14
Capital expenditure on property plant and equipment (accruals basis)				
Pallets Americas	178.3	170.4	173.2	343.6
Pallets EMEA	138.0	131.1	141.2	272.3
Pallets Asia-Pacific	31.4	28.9	28.5	57.4
Pallets	347.7	330.4	342.9	673.3
RPCs	134.0	87.2	93.2	180.4
Containers	42.9	25.6	28.5	54.1
Corporate	0.1	0.1	0.1	0.2
Group	524.7	443.3	464.7	908.0
Cash Flow from Operations				
Pallets Americas	127.9	161.4	234.5	395.9
Pallets EMEA	105.1	129.2	161.2	290.4
Pallets Asia-Pacific	27.1	24.4	44.2	68.6
Pallets	260.1	315.0	439.9	754.9
RPCs	13.4	59.5	37.8	97.3
Containers	14.4	10.3	16.4	26.7
Corporate	(19.3)	(9.0)	(41.7)	(50.7)
Group	268.6	375.8	452.4	828.2
Average Capital Invested				
Pallets Americas	2,301.6	2,244.9	2,257.3	2,251.1
Pallets EMEA	1,310.7	1,320.6	1,340.0	1,330.3
Pallets Asia-Pacific	376.7	368.7	375.1	371.9
Pallets	3,989.0	3,934.2	3,972.4	3,953.3
RPCs	1,565.1	1,552.2	1,594.2	1,573.2
Containers	769.5	417.4	445.0	431.2
Group (including Corporate)	6,278.5	5,831.8	5,947.4	5,889.6
Return on Capital Invested				
Pallets Americas	16.5%	18.3%	20.3%	19.3%
Pallets EMEA	28.0%	23.6%	25.4%	24.5%
Pallets Asia-Pacific	19.1%	18.5%	22.6%	20.5%
Pallets	20.5%	20.1%	22.2%	21.2%
RPCs	8.6%	7.5%	8.3%	7.9%
Containers	8.0%	8.6%	9.0%	8.8%
Group (including Corporate)	15.5%	15.7%	16.9%	16.3%
Brambles Value Added				
Pallets Americas	62.5	78.5	102.7	181.2
Pallets EMEA	111.4	78.0	90.2	168.2
Pallets Asia-Pacific	15.0	12.8	20.3	33.1
Pallets	188.9	169.3	213.2	382.5
RPCs	(25.9)	(35.0)	(29.2)	(64.2)
Containers	(16.7)	(7.4)	(6.6)	(14.0)
Group (including Corporate)	125.6	115.5	156.7	272.2
Number of pallets, RPCs and containers[19]				
Pallets Americas	120	111		115
Pallets EMEA	120	116		117
Pallets Asia-Pacific	22	21		21
Pallets	262	248		253
RPCs	223	199		207
Containers	14	13		13
Group	499	460		473

[19] Shown gross, before provisions.