Brambles Limited
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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 in accordance with Listing Rule 4.2A is the consolidated financial report, directors' report and auditors' review report for Brambles Limited for the half-year ended 31 December 2014.

Yours faithfully
Brambles Limited

Robert Gerrard
Group Company Secretary

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 2014

Six months ended 31 December	2014 US$M	2013 US$M	% change (actual FX rates)	% change (constant FX rates)
STATUTORY RESULTS				
Continuing operations after Significant Items:				
Sales revenue	**2,795.1**	2,669.3	5%	8%
Operating profit	**466.1**	452.9	3%	7%
Profit before tax	**407.0**	396.0	3%	7%
Profit after tax	**286.1**	280.4	2%	6%
Discontinued operations - (loss)/profit after tax	**(0.8)**	678.6		
Profit for the period attributable to members of the parent entity [1]	**285.3**	959.0	-70%	-69%
Basic EPS (US cents) - includes discontinued operations [2]	**18.2**	61.5	-70%	-69%
Continuing operations before Significant Items:				
Sales revenue	**2,795.1**	2,669.3	5%	8%
Underlying Profit	**485.2**	458.1	6%	10%
Profit after tax	**301.3**	284.1	6%	10%
Basic EPS (US cents)	**19.3**	18.2	6%	10%
Interim dividend [3] **(Australian cents)**	**14.0**	13.5		

[1] Profit for first half 2014 includes non-cash demerger profit of US$663.7 million (refer Note 7). Profit after tax (for continuing operations after Significant Items) has increased by 2% (6% at constant FX rates).

[2] Basic EPS for first half 2014 includes 43.5 US cents relating to discontinued operations. Basic EPS (for continuing operations after Significant Items) has increased by 2% (6% at constant FX rates). Refer Note 8.

[3] The 2015 interim dividend is 30% franked and its record date is 13 March 2015.

A commentary on these results is set out in Brambles' Half-Year Results announcement dated 23 February 2015.

Brambles

CONSOLIDATED FINANCIAL REPORT
for the half-year ended 31 December 2014

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Consolidated financial statements

Brambles

CONSOLIDATED INCOME STATEMENT
for the half-year ended 31 December 2014

	Note	First half 2015 US$M	First half 2014 US$M
Continuing operations			
Sales revenue	4	**2,795.1**	2,669.3
Other income	4	**61.9**	65.2
Operating expenses	4	**(2,390.9)**	(2,281.6)
Operating profit		**466.1**	452.9
Finance revenue		**0.6**	1.3
Finance costs		**(59.7)**	(58.2)
Net finance costs		**(59.1)**	(56.9)
Profit before tax		**407.0**	396.0
Tax expense		**(120.9)**	(115.6)
Profit from continuing operations		**286.1**	280.4
(Loss)/profit from discontinued operations [1]	7	**(0.8)**	678.6
Profit for the period attributable to members of the parent entity [2]		**285.3**	959.0
Earnings per share (cents)	8		
Total			
- basic		**18.2**	61.5
- diluted		**18.2**	61.2
Continuing operations			
- basic		**18.3**	18.0
- diluted		**18.2**	17.9

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

[1] Recall earnings up until the demerger date were included in discontinued operations in first half 2014.

[2] Profit for first half 2014 includes non-cash demerger profit of US$663.7 million (refer Note 7).

Brambles

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half-year ended 31 December 2014

	First half 2015 US$M	First half 2014 US$M
Profit for the period	**285.3**	959.0
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Actuarial losses on defined benefit pension plans	**(23.9)**	(2.9)
Income tax on items that will not be reclassified to profit or loss	**5.0**	(4.1)
	(18.9)	(7.0)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign subsidiaries	**(216.4)**	23.6
Reserves released to profit on demerger of Recall	**-**	(29.4)
Cash flow hedges	**-**	0.2
Income tax on items that may be reclassified to profit or loss	**-**	(0.1)
	(216.4)	(5.7)
Other comprehensive loss for the period	**(235.3)**	(12.7)
Total comprehensive income for the period attributable to members of the parent entity	**50.0**	946.3

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

Brambles

CONSOLIDATED BALANCE SHEET
as at 31 December 2014

	Note	December 2014 US$M	June 2014 US$M
ASSETS			
Current assets			
Cash and cash equivalents		**216.1**	222.3
Trade and other receivables		**1,065.7**	1,103.5
Inventories		**73.4**	66.9
Derivative financial instruments		**9.9**	14.6
Other assets		**57.4**	55.6
Total current assets		**1,422.5**	1,462.9
Non-current assets			
Investments		**5.4**	6.2
Property, plant and equipment		**4,422.0**	4,367.5
Goodwill		**1,543.1**	1,322.4
Intangible assets		**235.5**	221.1
Deferred tax assets		**52.3**	44.3
Derivative financial instruments		**15.3**	8.1
Other assets		**9.8**	5.2
Total non-current assets		**6,283.4**	5,974.8
Total assets		**7,705.9**	7,437.7
LIABILITIES			
Current liabilities			
Trade and other payables		**1,233.6**	1,310.3
Borrowings		**361.0**	497.8
Derivative financial instruments		**4.6**	1.1
Tax payable		**44.2**	41.6
Provisions		**73.5**	113.5
Total current liabilities		**1,716.9**	1,964.3
Non-current liabilities			
Borrowings		**2,701.2**	2,086.2
Derivative financial instruments		**-**	8.0
Provisions		**24.5**	20.9
Retirement benefit obligations		**74.8**	60.9
Deferred tax liabilities		**565.6**	541.0
Other liabilities		**5.9**	5.4
Total non-current liabilities		**3,372.0**	2,722.4
Total liabilities		**5,088.9**	4,686.7
Net assets		**2,617.0**	2,751.0
EQUITY			
Contributed equity	10	**6,019.5**	5,993.4
Reserves		**(6,971.7)**	(6,742.5)
Retained earnings		**3,569.2**	3,500.1
Total equity		**2,617.0**	2,751.0

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 2014

	First half 2015 US$M	First half 2014 [1] US$M
Cash flows from operating activities		
Receipts from customers	**3,130.8**	3,413.4
Payments to suppliers and employees	**(2,400.6)**	(2,629.6)
Cash generated from operations	**730.2**	783.8
Dividends received from joint ventures	**-**	0.2
Interest received	**0.6**	0.9
Interest paid	**(38.6)**	(45.4)
Income taxes paid on operating activities	**(88.9)**	(106.1)
Net cash inflow from operating activities [2]	**603.3**	633.4
Cash flows from investing activities		
Payments for property, plant and equipment	**(521.2)**	(468.6)
Proceeds from sale of property, plant and equipment	**38.3**	37.8
Payments for intangible assets	**(5.9)**	(19.7)
Proceeds from Recall demerger, net of cash disposed	**-**	417.3
Acquisition of subsidiaries, net of cash acquired	**(426.8)**	-
Net cash outflow from investing activities	**(915.6)**	(33.2)
Cash flows from financing activities		
Proceeds from borrowings	**980.4**	735.1
Repayments of borrowings	**(449.1)**	(704.9)
Net (outflow)/inflow from hedge instruments	**(22.0)**	12.2
Proceeds from issues of ordinary shares	**0.9**	0.7
Dividends paid	**(186.2)**	(198.7)
Net cash inflow/(outflow) from financing activities	**324.0**	(155.6)
Net increase in cash and cash equivalents	**11.7**	444.6
Cash and deposits, net of overdrafts, at beginning of the period	**221.8**	75.0
Effect of exchange rate changes	**(20.1)**	(5.0)
Cash and deposits, net of overdrafts, at end of the period	**213.4**	514.6

The consolidated cash flow statement should be read in conjunction with the accompanying notes. Cash and deposits of US$213.4 million at the end of the period, is net of overdrafts of US$2.7 million.

[1] Recall cash flows up until the demerger date were included in first half 2014.

[2] Net cash inflow from operating activities for first half 2014 includes US$10.3 million relating to discontinued operations.

Brambles

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2014

	Note	Share capital US$M	Reserves US$M	Retained earnings US$M	Total US$M
Half-year ended 31 December 2013					
Opening balance		6,618.5	(6,748.2)	3,155.1	3,025.4
Profit for the period		-	-	959.0	959.0
Other comprehensive loss		-	(5.7)	(7.0)	(12.7)
Total comprehensive income		-	(5.7)	952.0	946.3
Share-based payments:					
- expense recognised		-	14.5	-	14.5
- shares issued		-	(33.2)	-	(33.2)
- equity component of related tax		-	5.6	-	5.6
- transfer to retained earnings on demerger of Recall		-	(4.4)	4.4	-
Transactions with owners in their capacity as owners:					
- dividends declared		-	-	(187.4)	(187.4)
- issues of ordinary shares, net of transaction costs		33.9	-	-	33.9
- capital reduction on Recall demerger	9	(669.2)	-	-	(669.2)
- Recall demerger dividend	9	-	-	(540.4)	(540.4)
Closing balance		5,983.2	(6,771.4)	3,383.7	2,595.5
Half-year ended 31 December 2014					
Opening balance		**5,993.4**	**(6,742.5)**	**3,500.1**	**2,751.0**
Profit for the period		**-**	**-**	**285.3**	**285.3**
Other comprehensive loss		**-**	**(216.4)**	**(18.9)**	**(235.3)**
Total comprehensive income		**-**	**(216.4)**	**266.4**	**50.0**
Share-based payments:					
- expense recognised		**-**	**11.5**	**-**	**11.5**
- shares issued		**-**	**(26.0)**	**-**	**(26.0)**
- equity component of related tax		**-**	**1.7**	**-**	**1.7**
Transactions with owners in their capacity as owners:					
- dividends declared		**-**	**-**	**(197.3)**	**(197.3)**
- issues of ordinary shares, net of transaction costs	10	**26.1**	**-**	**-**	**26.1**
Closing balance		**6,019.5**	**(6,971.7)**	**3,569.2**	**2,617.0**

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2014

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 first half 2015.

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.

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' 2014 Annual Report and public announcements made by Brambles during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act.

References to 2015 and 2014 are to the financial years ending on 30 June 2015 and 30 June 2014 respectively.

The consolidated financial statements and all comparatives have been prepared using consistent accounting policies, as set out in Brambles' 2014 Annual Report, except for the application of new accounting standards and interpretations set out in Note 2A below.

The Recall business was demerged effective 18 December 2013. Recall's comprehensive income for the period up to the date of demerger has been presented within discontinued operations in first half 2014.

Certain comparative information in the notes to the financial statements has been reclassified to conform with the current period's presentation.

NOTE 2. OTHER INFORMATION

A) CHANGES IN ACCOUNTING POLICIES

Brambles has applied the following new accounting standards and interpretations from 1 July 2014. The impact of these new accounting standards and interpretations do not have a significant impact on Brambles' financial statements.

AASB 2012-3: Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities clarifies requirements to offset financial assets and financial liabilities in the balance sheet. The revised requirements do not affect the accounting for any of Brambles' current offsetting arrangements.

AASB 2014-1: Amendments to Australian Accounting Standards - Defined Benefit Plans clarifies the accounting for contributions by employees or third parties towards the cost of a defined benefit plan. In particular, they allow contributions that are linked to service, and that do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Though Brambles receives contributions from its employees, these vary with the length of service and hence do not qualify for the simplified treatment. The adoption of the amendments does not affect Brambles' accounting for these contributions.

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

At 31 December 2014, 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 first half 2015.

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 2018. AASB 9 addresses the classification, measurement and derecognition of financial assets and liabilities and may affect Brambles' accounting for financial assets and liabilities. Brambles does not expect that this standard will have a significant impact on its financial statements.

AASB 15: Revenue from contracts with customers is applicable to annual reporting periods beginning on or after 1 January 2017 and is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The new standard replaces the principle under the current standard of recognising revenue when risks and rewards transfer to the customer. Brambles is yet to assess the impact of the new rules on its revenue recognition policy.

C) FOREIGN CURRENCY

The principal exchange rates affecting Brambles were:

		A$:US$	€:US$	£:US$
Average	First half 2015	0.8832	1.2759	1.6180
	First half 2014	0.9115	1.3488	1.5923
Period end	31 December 2014	0.8182	1.2157	1.5559
	30 June 2014	0.9415	1.3643	1.7033

D) ROUNDING OF AMOUNTS

As Brambles 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 or, in certain cases, to the nearest thousand US dollars. Amounts in cents have been rounded to the nearest tenth of a cent.

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 six 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) and Corporate (corporate centre).

Segment performance is measured on sales revenue, Underlying Profit and Cash Flow from Operations. Underlying Profit is the main measure of segment profit. A reconciliation between Underlying Profit and operating profit is set out on page 10.

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 [2]	
	First half 2015 US$M	First half 2014 US$M	First half 2015 US$M	First half 2014 US$M
By operating segment [1]				
Pallets - Americas	**1,180.6**	1,142.4	**127.9**	161.4
Pallets - EMEA	**728.6**	718.8	**105.1**	129.2
Pallets - Asia-Pacific	**181.4**	181.0	**27.1**	24.4
Pallets	**2,090.6**	2,042.2	**260.1**	315.0
RPCs	**471.5**	440.9	**13.4**	59.5
Containers	**233.0**	186.2	**14.4**	10.3
Corporate	**-**	-	**(19.3)**	(9.0)
Continuing operations	**2,795.1**	2,669.3	**268.6**	375.8
By geographic origin				
Americas	**1,328.2**	1,280.3		
Europe	**1,100.4**	1,031.8		
Australia	**211.1**	208.8		
Other	**155.4**	148.4		
Total	**2,795.1**	2,669.3		

NOTE 3. SEGMENT INFORMATION - CONTINUED

	Operating profit [3]		Significant Items before tax [4]		Underlying Profit [4]	
	First half 2015 US$M	First half 2014 US$M	First half 2015 US$M	First half 2014 US$M	First half 2015 US$M	First half 2014 US$M
By operating segment [1]						
Pallets - Americas	**184.2**	204.6	**(6.2)**	(1.2)	**190.4**	205.8
Pallets - EMEA	**183.4**	155.8	**-**	-	**183.4**	155.8
Pallets - Asia-Pacific	**35.2**	33.7	**(0.7)**	(0.4)	**35.9**	34.1
Pallets	**402.8**	394.1	**(6.9)**	(1.6)	**409.7**	395.7
RPCs	**67.3**	58.2	**-**	-	**67.3**	58.2
Containers	**30.2**	17.8	**(0.4)**	(0.2)	**30.6**	18.0
Corporate	**(34.2)**	(17.2)	**(11.8)**	(3.4)	**(22.4)**	(13.8)
Continuing operations	**466.1**	452.9	**(19.1)**	(5.2)	**485.2**	458.1

	Depreciation and amortisation	
	First half 2015 US$M	First half 2014 US$M
By operating segment [1]		
Pallets - Americas	**107.7**	102.2
Pallets - EMEA	**64.8**	65.0
Pallets - Asia-Pacific	**21.0**	20.9
Pallets	**193.5**	188.1
RPCs	**51.5**	49.8
Containers	**32.2**	21.8
Corporate	**1.0**	0.8
Continuing operations	**278.2**	260.5

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2014 - continued

NOTE 3. SEGMENT INFORMATION - CONTINUED

	Segment assets		Segment liabilities	
	December 2014 US$M	June 2014 US$M	December 2014 US$M	June 2014 US$M
By operating segment [1]				
Pallets - Americas	**2,352.6**	2,372.6	**342.9**	375.7
Pallets - EMEA	**1,483.0**	1,582.0	**336.6**	364.9
Pallets - Asia-Pacific	**422.1**	460.6	**74.5**	83.2
Pallets	**4,257.7**	4,415.2	**754.0**	823.8
RPCs	**2,014.7**	2,095.2	**515.9**	544.0
Containers	**1,101.3**	592.5	**99.6**	93.1
Corporate	**44.8**	47.5	**47.4**	59.2
Total segment assets and liabilities	**7,418.5**	7,150.4	**1,416.9**	1,520.1
Cash and borrowings [5]	**216.1**	222.3	**3,062.2**	2,584.0
Current tax balances	**13.6**	14.5	**44.2**	41.6
Deferred tax balances	**52.3**	44.3	**565.6**	541.0
Equity-accounted investments	**5.4**	6.2	**-**	-
Total assets and liabilities	**7,705.9**	7,437.7	**5,088.9**	4,686.7
Non-current assets by geographic origin [6]				
Americas	**2,725.8**	2,703.9		
Europe	**2,793.2**	2,460.9		
Australia	**301.5**	349.3		
Other	**395.3**	408.3		
Total	**6,215.8**	5,922.4		

1 Following the internal restructuring announced in August 2014, Pallets India is now disclosed within the Pallets EMEA segment. Pallets India was previously included within Pallets Asia-Pacific. Prior period comparatives have been restated as appropriate.

2 Cash Flow from Operations is cash flow generated after net capital expenditure but excluding Significant Items that are outside the ordinary course of business.

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 and €500.0 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$19.8 million (June 2014: US$11.7 million) in relation to changes in fair value attributable to the hedged risk.
The fair values of all financial instruments held on the balance sheet as at 31 December 2014 equal the carrying amount, with the exception of loan notes, which has a carrying amount of US$2,182.3 million and an estimated fair value of US$2,344.5 million. All derivative financial assets and liabilities are estimated to fair values using level 2 estimation techniques, whereas loan notes are estimated using both levels 1 and 2 estimation techniques. Definitions of levels 1 and 2 are included within Brambles' 2014 Annual Report.

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

NOTE 4. PROFIT FROM ORDINARY ACTIVITIES - CONTINUING OPERATIONS

	First half 2015 US$M	First half 2014 US$M
A) REVENUE AND OTHER INCOME - CONTINUING OPERATIONS		
Sales revenue	**2,795.1**	2,669.3
Other income	**61.9**	65.2
Total income	**2,857.0**	2,734.5
B) OPERATING EXPENSES - CONTINUING OPERATIONS		
Employment costs	**458.7**	436.4
Service suppliers:		
- transport	**555.9**	536.3
- repairs and maintenance	**379.1**	376.7
- subcontractors and other service suppliers	**259.9**	230.3
Raw materials and consumables	**226.4**	215.2
Occupancy	**108.1**	102.9
Depreciation of property, plant and equipment	**253.7**	237.3
Irrecoverable pooling equipment provision expense	**42.1**	50.1
Amortisation of intangible assets and deferred expenditure		
- software	**8.1**	7.6
- acquired intangible assets (other than software)	**15.3**	14.3
- deferred expenditure	**1.1**	1.3
Other	**82.5**	73.2
	2,390.9	2,281.6
C) NET FOREIGN EXCHANGE GAINS AND LOSSES - CONTINUING OPERATIONS		
Net gains/(losses) included in operating profit	**1.5**	(0.3)
Net (losses)/gains included in net finance costs	**(0.6)**	0.5
	0.9	0.2

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 2015 US$M		
	Before tax	Tax	After tax
Items outside the ordinary course of business:			
- acquisition-related costs[1]	**(6.9)**	**0.2**	**(6.7)**
- restructuring and integration costs[2]	**(12.2)**	**3.7**	**(8.5)**
Significant Items from continuing operations	**(19.1)**	**3.9**	**(15.2)**

	First half 2014 US$M		
	Before tax	Tax	After tax
Items outside the ordinary course of business:			
- restructuring and integration costs[2]	(5.2)	1.5	(3.7)
Significant Items from continuing operations	(5.2)	1.5	(3.7)

1 Professional fees and other transaction costs were incurred in relation to the Ferguson acquisition in first half 2015.

2 Redundancy, integration and other restructuring costs of US$12.2 million were incurred during the period (first half 2014: US$5.2 million), of which US$8.3 million related to the One Better program (first half 2014: nil).

NOTE 6. BUSINESS COMBINATIONS

A) FERGUSON ACQUISITION

On 12 September 2014, Brambles acquired 100% of Ferguson Group, a leading provider of container solutions to the offshore oil and gas sector, for an enterprise value of £320 million with a cash consideration of £280 million.

For the period from 12 September 2014 to 31 December 2014, Ferguson contributed revenue of US$34.8 million and profit after tax of US$6.0 million. If the acquisition had occurred on 1 July 2014, Brambles' revenue and profit after tax for first half 2015 would have been US$18.2 million higher and US$4.0 million higher, respectively.

The fair value of the Ferguson assets acquired, liabilities assumed and goodwill were as follows, based on preliminary acquisition accounting data which will be finalised by September 2015:

	First half 2015 US$M
Purchase consideration	**457.2**
Less: fair value of net identifiable assets acquired	**(135.5)**
Goodwill (at acquisition date)	**321.7**

The goodwill acquired is attributable to the profitability of the acquired business, as well as benefits derived from the acquired workforce and other intangible assets that cannot be separately recognised. The goodwill recognised is not expected to be deductible for income tax purposes.

NOTE 6. BUSINESS COMBINATIONS - CONTINUED

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

	Fair value US$M
Cash and cash equivalents	34.7
Trade and other receivables	25.2
Property, plant and equipment	164.4
Intangible assets	49.0
Other assets	4.6
	277.9
Trade and other payables	10.3
Borrowings	105.5
Deferred tax liabilities	20.5
Other liabilities	6.1
	142.4
Net assets	135.5

	First half 2015 US$M
Cash outflow on acquisition of Ferguson was as follows:	
Purchase consideration	457.2
Less: cash acquired, net of overdrafts	(31.1)
Net cash outflow	426.1

B) Other

In addition to the above acquisition, a further US$0.7 million was paid in first half 2015 relating to the Transpac acquisition which occurred in June 2014.

NOTE 7. DISCONTINUED OPERATIONS

Discontinued operations primarily comprise the Recall business which was demerged effective 18 December 2013. As a consequence of the demerger, Recall was presented in discontinued operations in first half 2014. In addition to Recall, discontinued operations comprise net adjustments relating to divestments completed in prior years.

Financial information for Recall for the period up to the date of demerger and other discontinued operations is summarised below:

	First half 2015 US$M	First half 2014 US$M
(Loss)/profit before tax	(0.3)	717.0
Tax expense	(0.5)	(38.4)
(Loss)/profit for the period from discontinued operations	(0.8)	678.6

Profit before tax in first half 2014 comprises US$663.7 million profit on demerger, US$53.8 million operating profit (which includes US$(32.1) million of depreciation and amortisation expense and US$1.7 million of share of results of joint ventures) and US$(0.5) million net finance costs.

Significant items outside the ordinary course of business relating to discontinued operations recognised during first half 2015 were US$0.1 million (first half 2014: US$663.4 million).

Further details of the Recall demerger are set out in Brambles' First half 2014 Appendix 4D and 2014 Annual Report.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2014 - continued

NOTE 8. EARNINGS PER SHARE

	First half 2015 US cents	First half 2014 US cents
Earnings per share		
- basic	**18.2**	61.5
- diluted	**18.2**	61.2
From continuing operations		
- basic	**18.3**	18.0
- diluted	**18.2**	17.9
- basic, on Underlying Profit after finance costs and tax	**19.3**	18.2
From discontinued operations		
- basic	**(0.1)**	43.5
- diluted	**-**	43.3

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 2015 Million	First half 2014 Million
A) WEIGHTED AVERAGE NUMBER OF SHARES DURING THE PERIOD		
Used in the calculation of basic earnings per share	**1,564.1**	1,558.2
Adjustment for share rights	**4.3**	8.4
Used in the calculation of diluted earnings per share	**1,568.4**	1,566.6

	First half 2015 US$M	First half 2014 US$M
B) RECONCILIATION OF PROFITS USED IN EPS CALCULATIONS		
Statutory profit		
Profit from continuing operations	**286.1**	280.4
(Loss)/profit from discontinued operations	**(0.8)**	678.6
Profit used in calculating basic and diluted EPS	**285.3**	959.0
Underlying Profit after finance costs and tax		
Underlying Profit (Note 3)	**485.2**	458.1
Net finance costs	**(59.1)**	(56.9)
Underlying Profit before tax	**426.1**	401.2
Tax expense on Underlying Profit	**(124.8)**	(117.1)
Underlying Profit after finance costs and tax	**301.3**	284.1
which reconciles to statutory profit:		
Underlying Profit after finance costs and tax	**301.3**	284.1
Significant Items after tax (Note 5)	**(15.2)**	(3.7)
Profit from continuing operations	**286.1**	280.4

NOTE 9. DIVIDENDS

A) DIVIDENDS PAID DURING THE PERIOD

	Final 2014
Dividend per share (in Australian cents)	13.5
Cost (in US$ million)	186.2
Payment date	9 October 2014

B) RECALL DEMERGER DIVIDEND

In first half 2014, Brambles declared the demerger dividend amount as a dividend to Scheme participants. The demerger dividend was not paid to Scheme participants in cash, but was applied by Brambles on behalf of Scheme participants as payment for the Recall shares. The fair value of Recall shares of US$1,209.6 million was allocated between the share capital reduction of US$669.2 million and the demerger dividend of US$540.4 million. The share capital reduction was supported by the Australian Tax Office ruling obtained as part of the demerger.

C) DIVIDEND DECLARED AFTER 31 DECEMBER 2014

	Interim 2015
Dividend per share (in Australian cents)	**14.0**
Cost (in US$ million)	**171.6**
Payment date	**9 April 2015**
Dividend record date	**13 March 2015**

As this dividend had not been declared at 31 December 2014, it is not reflected in these financial statements.

NOTE 10. ISSUED AND QUOTED SECURITIES

	Options	Ordinary securities	
	Number	Number	US$M
At 1 July 2014	**9,730,424**	**1,562,945,947**	**5,993.4**
Issued during the period	**3,087,017**	**3,186,360**	**26.1**
Exercised during the period	**(3,187,849)**	**-**	**-**
Lapsed during the period	**(1,218,501)**	**-**	**-**
At 31 December 2014	**8,411,091**	**1,566,132,307**	**6,019.5**

NOTE 11. NET ASSETS PER SHARE

	First half 2015 US cents	First half 2014 US cents
Based on 1,566.1 million shares (First half 2014: 1,561.7 million shares):		
- Net tangible assets per share	**53.5**	70.0
- Net assets per share	**167.1**	166.2

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 12. CONTINGENT LIABILITIES

There have been no material changes to contingent liabilities as set out in Brambles' 2014 Annual Report.

NOTE 13. 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 2014 and up to the date of this report that have had a material impact on Brambles' financial performance or position.

Brambles

DIRECTORS' DECLARATION

In the opinion of the Directors of Brambles Limited:

(a) the financial statements and notes set out on pages 3 to 17 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 2014 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.

S P Johns
Chairman

T J Gorman
Chief Executive Officer

Sydney
23 February 2015

Independent auditor's 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 2014, the consolidated income statement, 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 Brambles (the consolidated entity). The consolidated entity 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.

Auditor's 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 Australian 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 the consolidated entity's financial position as at 31 December 2014 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 2014 and of its performance for the half-year ended on that date;

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

PricewaterhouseCoopers

Paul Bendall
Partner

Sydney
23 February 2015

Susan Horlin
Partner

Sydney
23 February 2015

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 2014 (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:

S P Johns (Independent Non-executive Chairman, effective 1 October 2014) (previously, Independent Non-executive Director)

G J Kraehe AO (Independent Non-executive Chairman) (retired 30 September 2014)

T J Gorman (Executive Director, CEO)

C Cross (Independent Non-executive Director)

D G Duncan (Independent Non-executive Director) (retired 20 February 2015)

A G Froggatt (Independent Non-executive Director)

D P Gosnell (Independent Non-executive Director)

T Hassan (Independent Non-executive Director)

S C H Kay (Independent Non-executive Director)

B J Long (Independent Non-executive Director) (appointed 1 July 2014)

REVIEW AND RESULTS OF OPERATIONS

The principal activities of Brambles during the six months ending 31 December 2014 (1H15) were the provision of pooling solutions services, of which Brambles is a leading global provider. Brambles' pooling solutions services comprised three operating business segments: Pallets, RPCs and Containers.

Some of the results referred to in this report are expressed 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.

In 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%.

Operating profit for continuing operations was US$466.1 million, up 3% (up 7% at constant currency). Profit after tax for continuing operations 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.

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 (at 30 June 2014 foreign exchange rates). The 1H15 constant-currency growth primarily reflected: sales growth; delivery of US$12 million of Global Supply Chain efficiencies in the Pallets segment; modest pricing and sales mix improvements in the Pallets Europe, Middle East & Africa (EMEA)[1] business; the contribution of Ferguson Group in Containers; minimal overheads growth throughout the business; and a continued reduction in 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%.

Pallets

The Pallets business, carried out under the name CHEP, focusses on the outsourced management of returnable pallets, which it issues, collects and reissues through a network of service centres in multiple countries. It has three segments: Pallets Americas, Pallets EMEA and Pallets Asia-Pacific.

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. Operating profit was US$184.2 million, down 10% (down 8% at constant currency). Underlying Profit was US$190.4 million, down 7%. The constant-currency decline in Underlying Profit 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.

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. Operating profit and 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.

[1] Pallets EMEA includes India, following the change in management reporting lines that occurred during the period. Prior period comparatives reflect this change.

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. Operating profit was US$35.2 million, up 4% (up 8% at constant currency). Underlying Profit was US$35.9 million, up 5%. Constant-currency Underlying Profit 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.

RPCs

The RPC business, carried out under the name IFCO in Europe, North and South America and CHEP in Australia, New Zealand and South Africa, focusses on the outsourced management of reusable plastic containers globally, which are used primarily to transport fresh produce from producers to grocery retailers.

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.

Operating profit and 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.

Containers

The Containers business provides intermediate bulk, automotive and chemical and catalyst containers to its customers and standardised containers to the offshore oil and gas sector. It also operates an airline container pooling and repair business and a non-flight critical aviation equipment maintenance and repair business called CHEP Aerospace.

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 Group (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.

Operating profit was US$30.2 million, up 70% (up 75% in constant currency). 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%.

AUDITORS' INDEPENDENCE DECLARATION

The auditors' independence declaration, as required under Section 307C of the Corporations Act 2001, is set out on page 23 and forms part of this report.

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

S P Johns
Chairman

T J Gorman
Chief Executive Officer

Sydney
23 February 2015

Auditor's independence declaration

As lead auditor for the review of Brambles Limited for the half-year ended 31 December 2014, 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

Sydney
23 February 2015

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