

Brambles

2008 Interim Results

21 February 2008



2008 Interim Results

Mike Ihlein

Chief Executive Officer

Successful Half With Progress On Growth

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

Successful Half With Progress On Growth

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

Results Confirm Strong Foundations for Growth

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

CHEP Americas – Volume Growth Continues

Pallet Volume

↑ 6%
(USA ↑ 6%)

Sales

↑ 11%
(9% constant)

Operating profit

↑ 18%
(15% constant)

Profit margin

29%
(+1pp)

- Strong volume growth in USA, Latin America and Canada
- Solid demand for grocery products; produce and raw materials strong
- New customer wins underpin growth – over 200 new accounts plus lane expansion in USA (annualised sales >US\$50m)
- Customer satisfaction improving
- Customer initiatives support volume - DTPM, ETPM (12 sites), Quality

CHEP Europe – Pallet Volume Growth Increasing

Pallet Volume

↑ 4%

Sales

↑ 11%
(2% constant)

Operating profit

↑ 27%
(17% constant)

Profit margin

23%
(+3pp)

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

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

Pallet Volume

↑ 3%

Sales

↑ 18%
(7% constant)

Operating profit

↑ 13%
(3% constant)

Profit margin

29%
(-1pp)

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

Recall – Strong Organic Growth

Carton Volume

↑ 5%
(YTD annualised)

Sales

↑ 16%
(8% constant)

Operating profit

↑ 11%
(1% constant)

Profit margin

15%
(-1pp)

- Winning new customers
 - Banking and insurance verticals (USA and Europe)
 - Bank of America commenced – 1m + cartons by June 2007
- All regions delivered very good sales growth
 - Europe and Asia delivering double-digit sales growth
 - ANZ retaining business in a competitive environment
- North America sales good but profit disappointing
 - Business restructuring and higher costs
 - Focus on cost efficiency and business excellence next 12 months
 - Mikael Norin now President, Recall Americas (ex Recall Europe)
- All other regions delivered strong profit growth

Organic Growth Drives Results In First Half

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

Significant Progress In Core Expansion

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

China – Customer Wins Accelerating

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

India – CHEP's Next Major New Country

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



India – CHEP's Next Major New Country

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

Additional Investment For Growth

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

Investment in Quality and Innovation

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



2008 Interim Results

Liz Doherty
Chief Financial Officer

Strong profit and EPS growth

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

Growth % calculated on US\$ constant currency basis

Solid sales growth

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

Growth % calculated on US\$ constant currency basis

Comparable operating profit growth

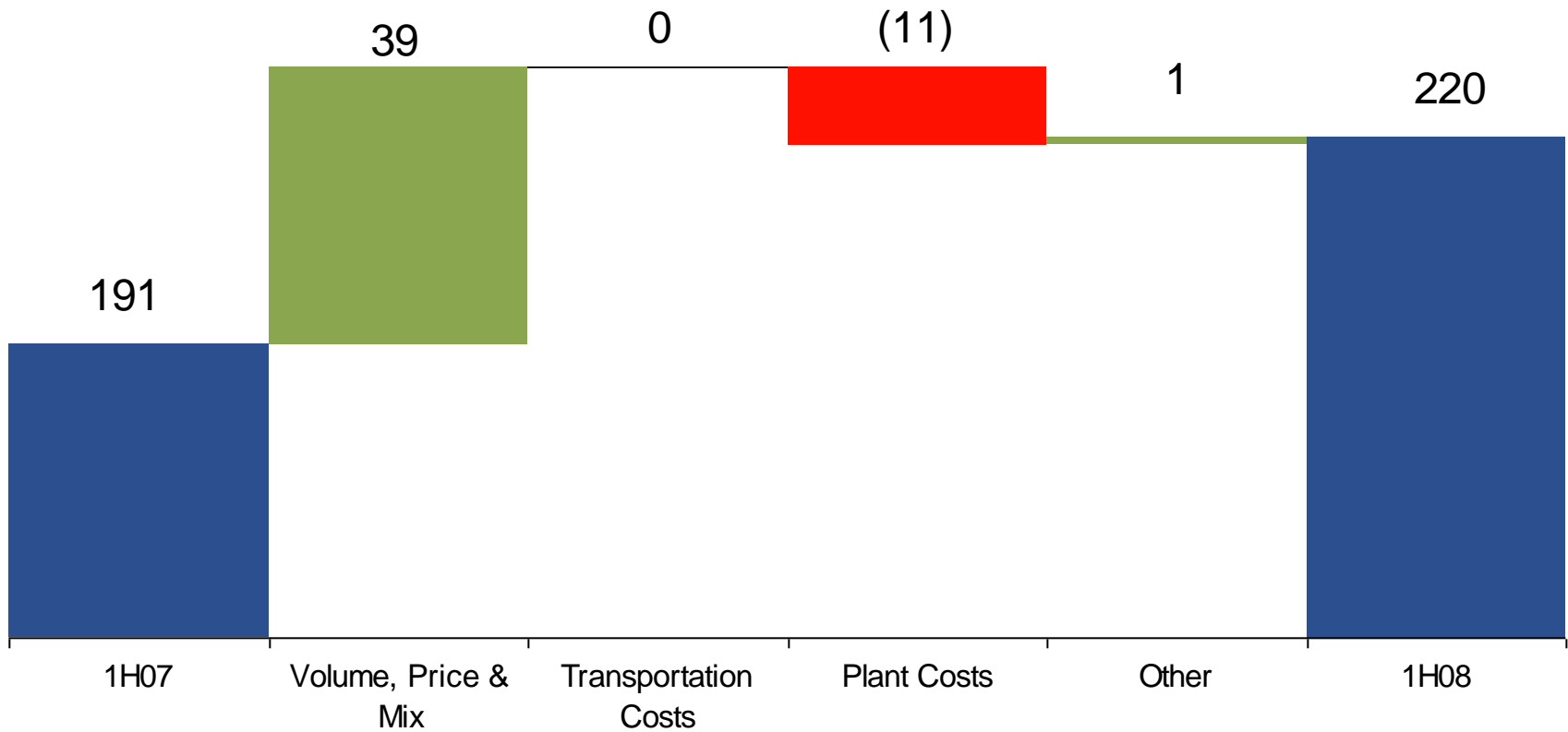
AIFRS	Actual	Constant		Growth %
	1H08 US\$m	1H08 US\$m	1H07 US\$m	
CHEP Americas	225.1	219.9	190.9	15
CHEP Europe	168.1	154.8	132.7	17
CHEP RoW	69.9	63.3	61.6	3
CHEP	463.1	438.0	385.2	14
Recall	55.4	50.5	50.0	1
Continuing (pre Brambles HQ)	518.5	488.5	435.2	12
Unallocated Brambles HQ costs	(18.0)	(16.2)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

Growth % calculated on US\$ constant currency basis

Americas – very strong performance



US\$m

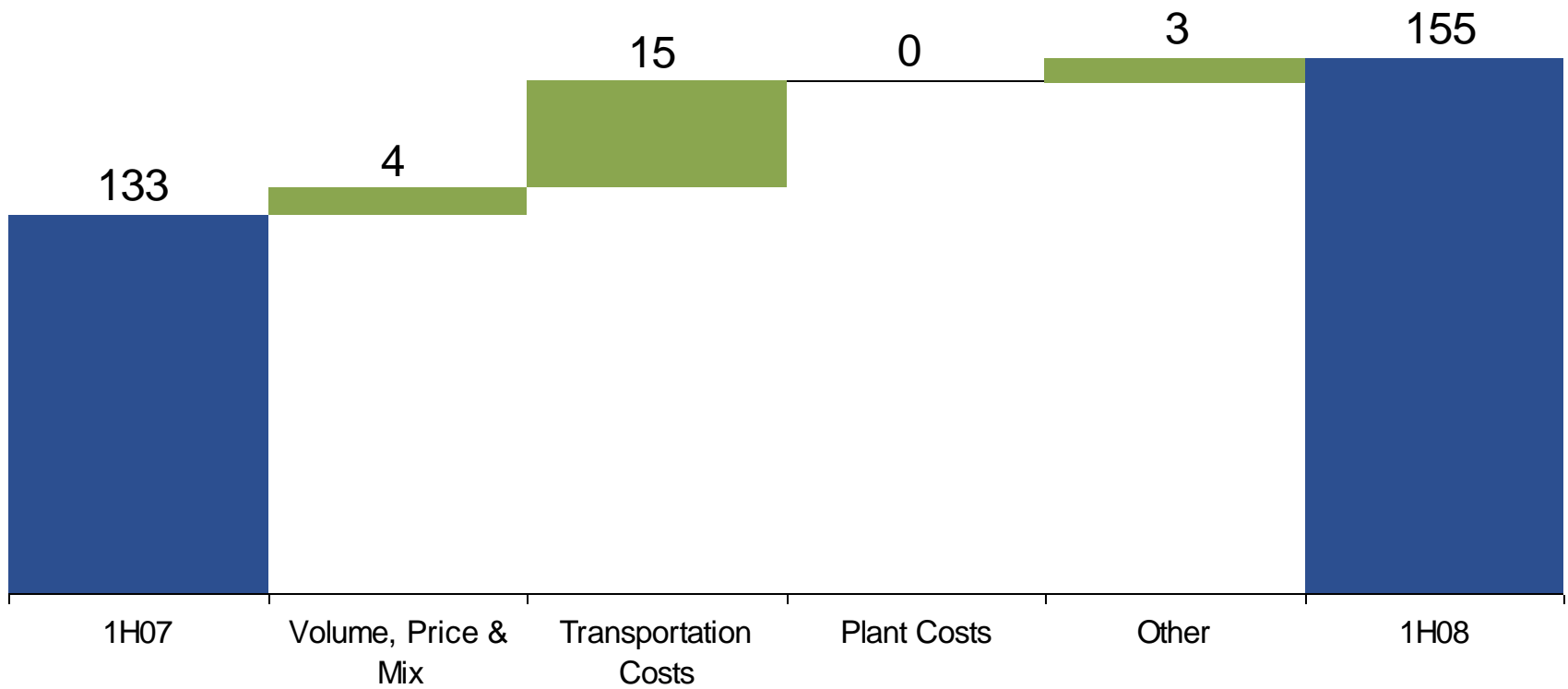


All numbers are calculated at constant currency

Europe – continuing improvement



US\$m



All numbers are calculated at constant currency

Good sales growth in all regions



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

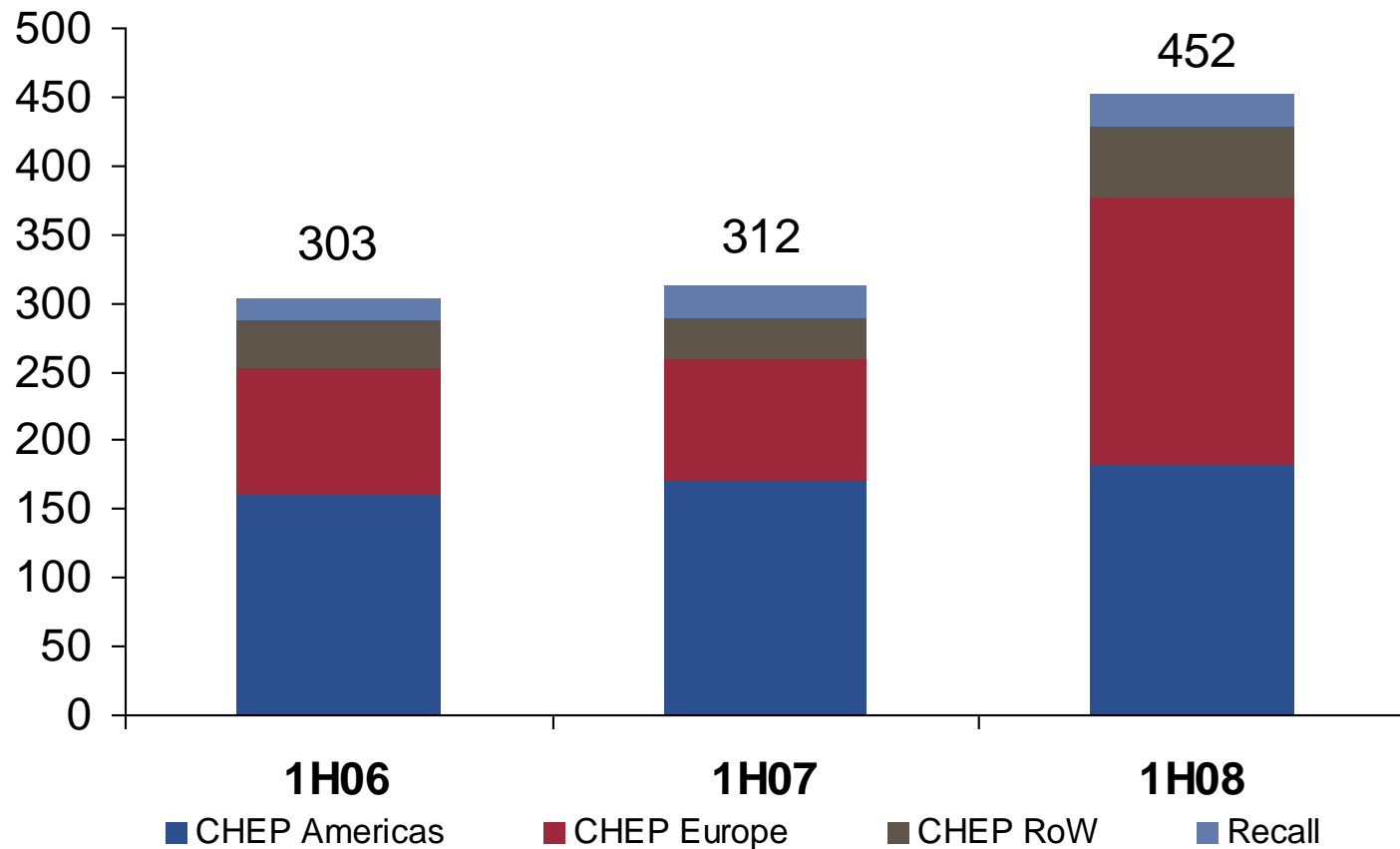
Growth % calculated on US\$ constant currency basis

Strong cash flow generation

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

Capital expenditure to support growth

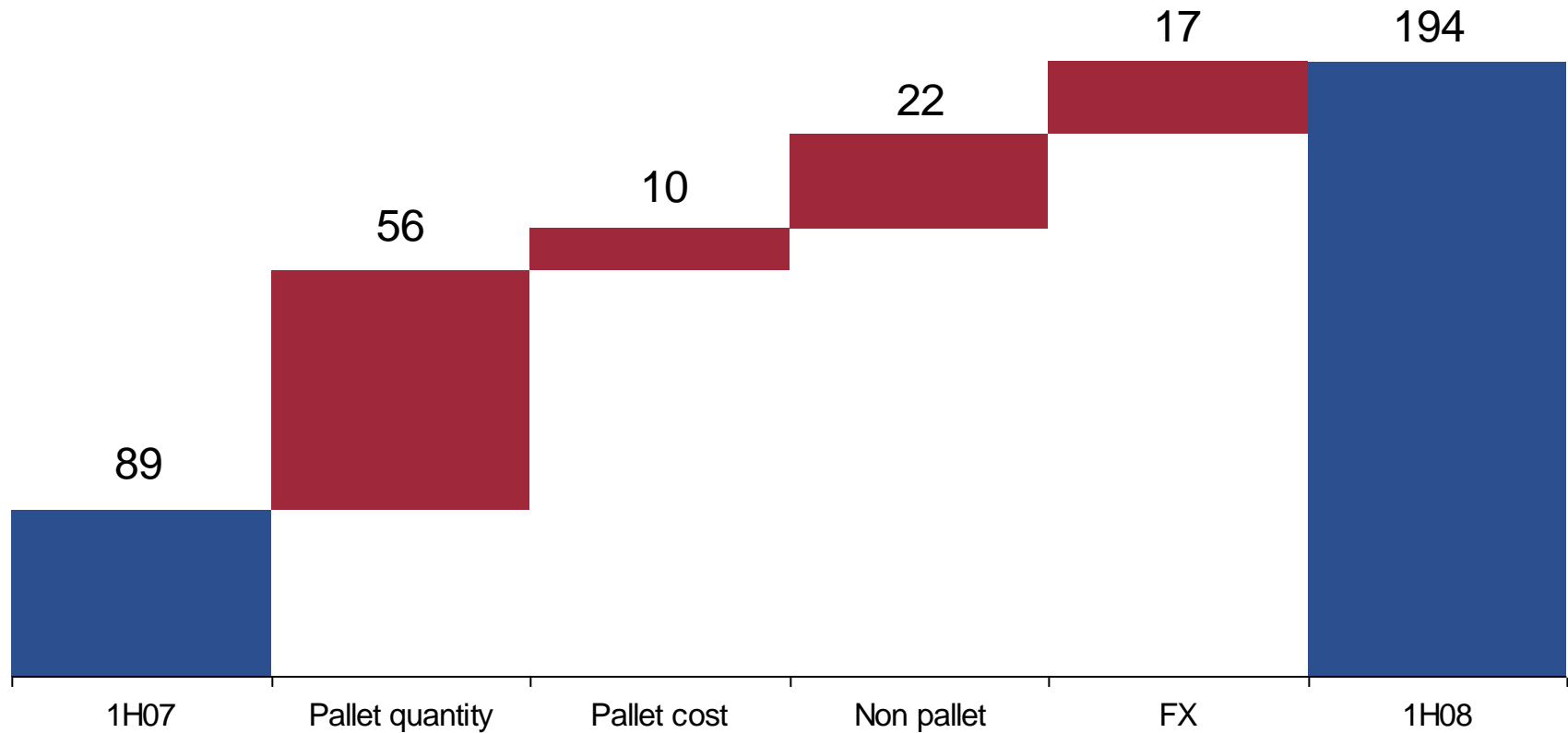
US\$m



Europe – capital expenditure



US\$m



Brambles Value Added

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

Effective tax rate

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

Financial ratios

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

Outlook for 2008

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

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