



3 November 2014

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

*Via electronic lodgement*

Dear Sir / Madam

**BRAMBLES LIMITED: FY15 FIRST-QUARTER TRADING UPDATE AND INVESTOR PRESENTATION**

Please see the attached announcement relating to the above.

Yours faithfully  
**Brambles Limited**

**Robert Gerrard**  
Group Company Secretary

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## Brambles' first-quarter trading update: solid sales revenue growth; FY15 guidance<sup>1</sup> updated for Ferguson acquisition

Brambles today reported sales revenue of US\$1,370.8 million for the three months ended September 2014<sup>2</sup>, up 6% (7% in constant currency<sup>3</sup>) on the prior corresponding period. The performance primarily reflected continued solid growth in the Pallets segment, strong momentum in Reusable Produce Crates (RPCs) and the contribution of acquired businesses<sup>4</sup> in Containers.

Brambles' Chief Executive Officer, Tom Gorman, said: "Notwithstanding increased economic uncertainty during the period, we are pleased with our trading result for the first quarter of the 2015 financial year, which reflected a resilient underlying performance as we continue to execute our growth strategy.

"We remain confident of stronger sales revenue growth for the Group in the second half, reflecting our expectation of a continued strong performance in the Pallets and RPCs operations and, in Containers, the contribution of recent contract wins and acquisitions."

**Table: three months ended September 2014 vs. prior corresponding period**

|                        | Sales revenue (US\$M) | Growth (actual FX)    | Growth (constant FX <sup>3</sup> ) |
|------------------------|-----------------------|-----------------------|------------------------------------|
| Pallets – Americas     | 581.7                 | 4%                    | 5%                                 |
| Pallets – EMEA         | 357.5                 | 4%                    | 4%                                 |
| Pallets – Asia-Pacific | 92.3                  | 6%                    | 5%                                 |
| <b>Total Pallets</b>   | <b>1,031.5</b>        | <b>4%</b>             | <b>5%</b>                          |
| RPCs                   | 233.8                 | 10%                   | 10%                                |
| Containers             | 105.5                 | 20% <sup>5</sup>      | 19% <sup>5</sup>                   |
| <b>Total Brambles</b>  | <b>1,370.8</b>        | <b>6%<sup>5</sup></b> | <b>7%<sup>5</sup></b>              |

### FY15 guidance<sup>1</sup> updated for the Ferguson acquisition

Following the acquisition in September of oil and gas container solutions business Ferguson Group, Brambles has updated its guidance for the 2015 financial year as follows:

- Constant-currency<sup>3</sup> sales revenue growth is expected to be 8% to 9%; and
- Underlying Profit<sup>6</sup>, at 30 June 2014 foreign exchange rates, is expected to be between US\$1,055 million and US\$1,085 million, reflecting growth of 9% to 12%<sup>7</sup>.

### Investor presentation

Brambles is presenting to investors today at 1430 Australian Eastern Daylight Time. The slides to be used at that presentation, which include further detail of the first-quarter trading performance and the contribution in the 2015 financial year of the Ferguson acquisition, are included as an attachment to this release.

The presentation will be available live and archived on Brambles' website, [www.brambles.com](http://www.brambles.com).

<sup>1</sup> All guidance is provided subject to the forward-looking statements disclaimer on Page 2 of this release.

<sup>2</sup> All growth figures are provided on a days-adjusted basis to reflect variations in the number of trading days between the first quarter of FY15 and the prior corresponding period.

<sup>3</sup> Brambles calculates constant currency/FX (foreign exchange) by translating reporting period results into US dollars at the actual monthly exchange rates applicable in the prior corresponding period.

<sup>4</sup> Businesses acquired since the prior corresponding period are Airworld (February 2014), Transpac (June 2014) and Ferguson (September 2014).

<sup>5</sup> Excluding the contribution of acquisitions, Brambles' sales revenue growth was 5% (6% at constant currency) and Containers' sales revenue growth was 2% (2% at constant currency).

<sup>6</sup> Underlying Profit is profit from continuing operations before financing costs, tax and Significant Items.

<sup>7</sup> On a comparable basis (i.e. at 30 June 2014 foreign exchange rates), reported FY14 Underlying Profit of US\$960 million translates to US\$965 million.

## Further information

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**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 more than 14,000 people and owns more than 470 million pallets, crates and containers through a network of approximately 850 service centres. For further information, please visit [www.brambles.com](http://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

## Investor Day Presentation

3 November 2014

## This afternoon's agenda

|   |   |
|---|---|
| <b>Business update</b>  | Tom Gorman & Zlatko Todorcevski                       |
| <b>Ferguson acquisition</b>   | Jason Rabbino   |
| <b>First-quarter operating review</b> <ul style="list-style-type: none"><li>- Containers</li><li>- RPCs</li><li>- Pallets</li></ul> | Jason Rabbino<br>Wolfgang Orgeldinger<br>Peter Mackie |
| <b>Wrap-up and Q&amp;A</b>  |   |

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# Business update

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## First-quarter trading update

Continued sales revenue growth across all operating segments

| Segment                      | Sales revenue (US\$M) | Growth (actual FX) | Growth (constant FX) |
|------------------------------|-----------------------|--------------------|----------------------|
| Americas                     | 582                   | 4%                 | <b>5%</b>            |
| Europe, Middle East & Africa | 358                   | 4%                 | <b>4%</b>            |
| Asia-Pacific                 | 92                    | 6%                 | <b>5%</b>            |
| Total Pallets                | 1,032                 | 4%                 | <b>5%</b>            |
| RPCs                         | 234                   | 10%                | <b>10%</b>           |
| Containers                   | 105                   | 20%                | <b>19%</b>           |
| <b>Total Group</b>           | <b>1,371</b>          | <b>6%</b>          | <b>7%</b>            |

Note: All growth figures are provided on a days-adjusted basis to reflect variations in the number of trading days between the first quarter of FY15 and the prior corresponding period.

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## FY15 guidance<sup>1</sup> updated for Ferguson

### Strong sales growth with positive leverage to Underlying Profit

- Constant-currency sales revenue growth expected to be 8% to 9%
- Underlying Profit of US\$1,055M to US\$1,085M (30 June 2014 FX rates)
  - Equates to growth of 9% to 12% compared with FY14<sup>2</sup>
  - Includes ~US\$25M forecast contribution from Ferguson
- Net finance costs expected to be US\$125M to US\$130M
- Effective underlying tax rate still anticipated at 29% (net of finance costs)
- Continued expectation for Return on Capital Invested improvement excluding acquisition impacts
  - Acquisitions to result in dilution in reported Return on Capital Invested vs. FY14

<sup>1</sup> All guidance is subject to the disclaimer on Slide 25

<sup>2</sup> On a comparable basis (i.e. at 30 June 2014 foreign exchange rates), reported FY14 Underlying Profit of US\$960M was US\$965M

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## Our five-year objectives are unchanged

### Sustained delivery of "quality" and "quantity" for shareholders

- 1) **Get the basics right**
  - Invest in product and service quality
  - Invest in asset management
- 2) **Drive business growth**
  - Invest in business development to support diversification

Annual percentage sales revenue growth in the high single digits

Consistent incremental improvement in Group ROCI to at least 20% by FY19

Note: Sales revenue and ROCI commentary provided on an "organic" constant-currency basis exclusive of the impact of merger, acquisition or divestment activity; all commentary subject to Brambles' Disclaimer.

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## Ferguson acquisition accounting

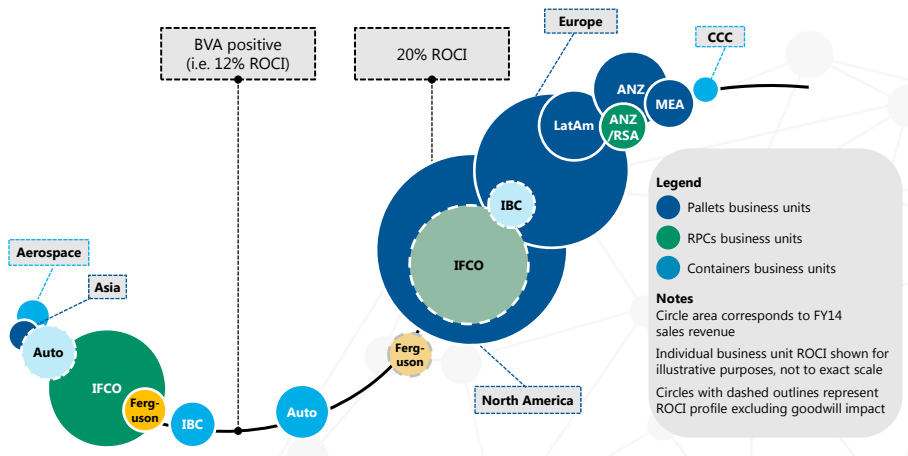
Based on preliminary, unaudited purchase price allocation

- Enterprise value of £320M translates to US\$523M at consolidation<sup>1</sup>
- Amortisation of identifiable intangible assets estimated at up to £4M per year
  - Assumes assets amortised over 10 years
- Net operating assets estimated in due diligence at £114M
- Current depreciation policy: 15 years to residual value of 10%
- FY15 Return on Capital Invested estimated to be ~6%
- Value-adding strategies aimed at driving ROCI broadly in line with Brambles' nominal 12% cost of capital by FY19

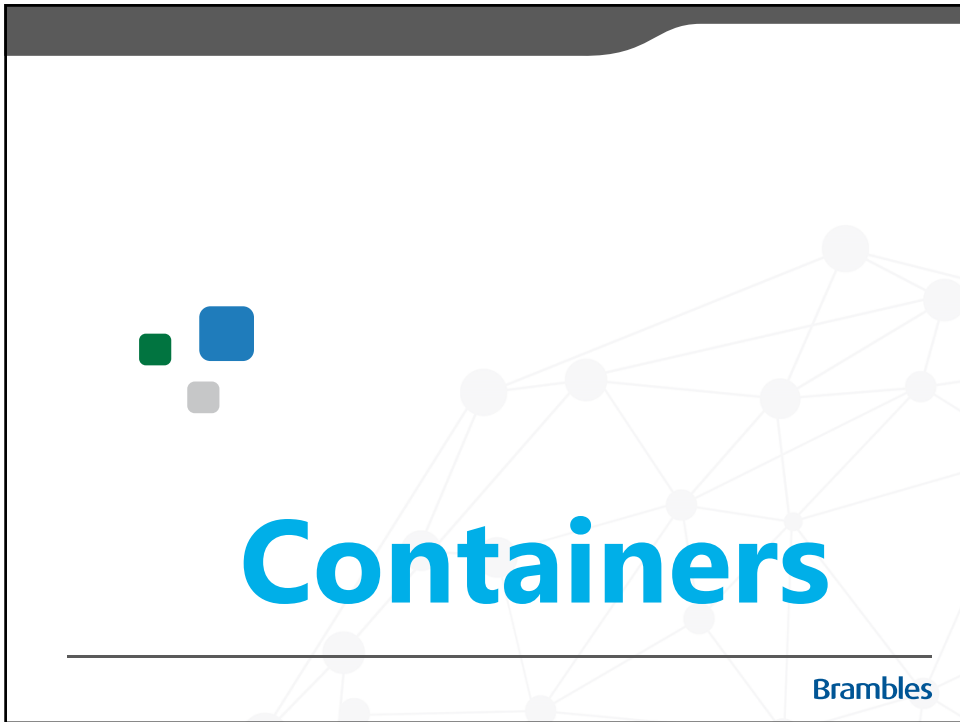
<sup>1</sup> USD:GBP exchange rate of 1.63 used at consolidation.

## Capital recycling in our portfolio

Both organic and acquisitive growth have a role to play







### Ferguson: strategic priorities

Many levers to drive value creation

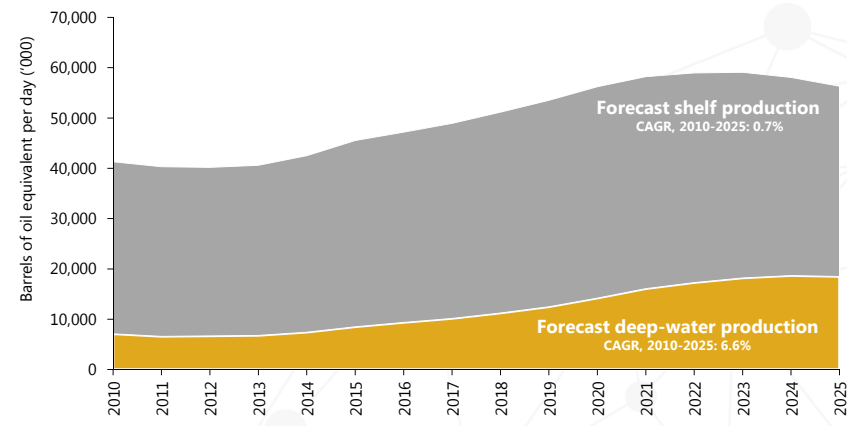
|   |                                 |   |  |
|---|---------------------------------|---|--|
| 1 | <b>Organic growth</b>           | ➔ | <ul style="list-style-type: none"><li>▪ Tanks and chemical containers</li><li>▪ Customer demand for DNV certification</li><li>▪ Expansion of value-adding services</li></ul>         |
| 2 | <b>Strategic sourcing</b>       | ➔ | <ul style="list-style-type: none"><li>▪ Opportunity to source from low-cost markets</li><li>▪ Utilisation of lean manufacturing methods</li><li>▪ Brambles scale economies</li></ul> |
| 3 | <b>Regional diversification</b> | ➔ | <ul style="list-style-type: none"><li>▪ East and West Africa</li><li>▪ Gulf of Mexico</li><li>▪ Consolidation of regional players</li></ul>  |
| 4 | <b>Asset utilisation</b>        | ➔ | <ul style="list-style-type: none"><li>▪ Annual year-on-year improvement goals</li><li>▪ Global strategic supply agreements</li><li>▪ Increased use of technology</li></ul>           |

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## Attractive offshore growth trends

### Deep-water environments accelerate containerization requirements

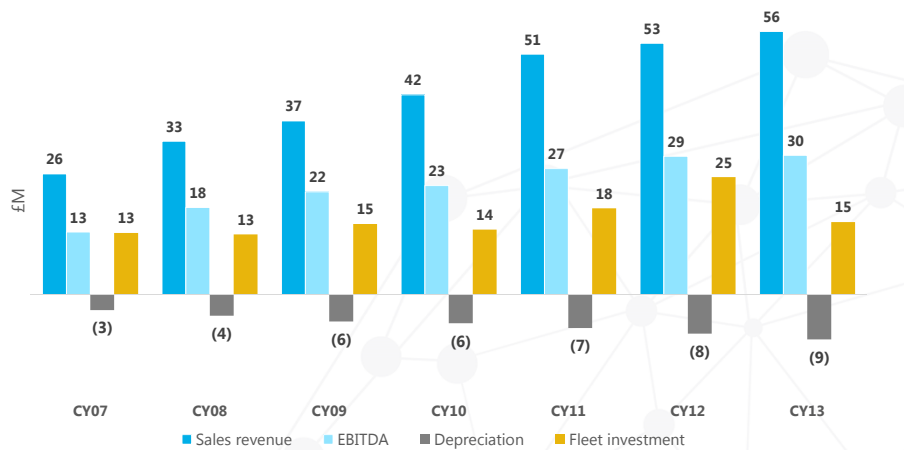


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## Ferguson Group financial performance

### Positioned to benefit from strong recent investment



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## Containers: first-quarter sales revenue

Acquisitions drive growth with mixed organic result

| Business unit                             | Sales revenue (US\$M) | Growth (actual FX) | Growth (constant FX) |
|---|-----------------------|--------------------|----------------------|
| Automotive                                | 37                    | 1%                 | <b>1%</b>            |
| CHEP Pallecon Solutions                   | 32                    | 24%                | <b>24%</b>           |
| CHEP Aerospace Solutions                  | 19                    | 19%                | <b>17%</b>           |
| Oil & Gas                                 | 17                    | 80%                | <b>80%</b>           |
| <b>Total Containers</b>                   | <b>105</b>            | <b>20%</b>         | <b>19%</b>           |
| Total Containers (excluding acquisitions) | 90                    | 2%                 | 2%                   |

Note: All growth figures are provided on a days-adjusted basis to reflect variations in the number of trading days between the first quarter of FY15 and the prior corresponding period.

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# RPCs

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## RPCs: first-quarter sales revenue

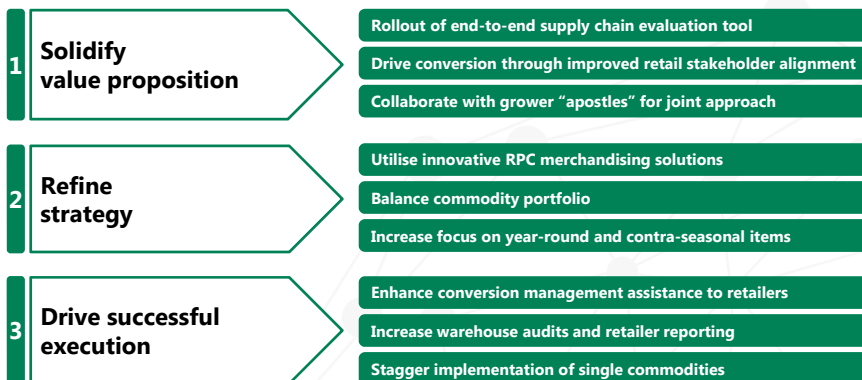
Solid sales momentum continues in all regions

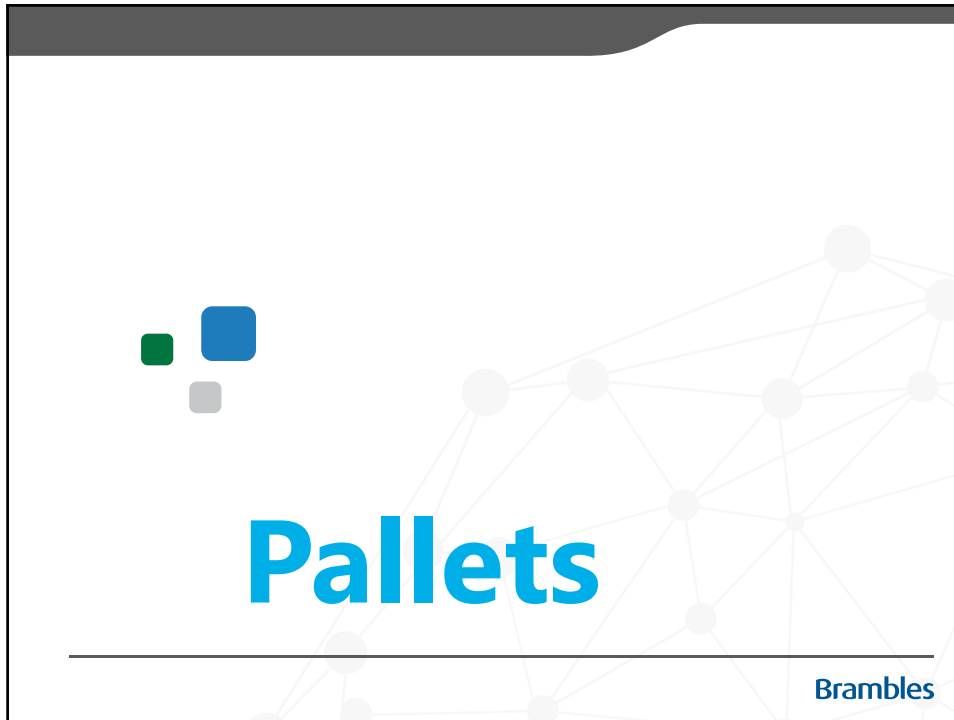
| Business unit/region                       | Sales revenue (US\$M) | Growth (actual FX) | Growth (constant FX) |
|--|-----------------------|--------------------|----------------------|
| IFCO Europe                                | 149                   | 8%                 | <b>9%</b>            |
| IFCO North America                         | 50                    | 12%                | <b>12%</b>           |
| IFCO South America                         | 6                     | 13%                | <b>35%</b>           |
| IFCO total                                 | 205                   | 10%                | <b>10%</b>           |
| CHEP Australia, New Zealand & South Africa | 29                    | 10%                | <b>10%</b>           |
| <b>Total RPCs</b>                          | <b>234</b>            | <b>10%</b>         | <b>10%</b>           |

Note: All growth figures are provided on a days-adjusted basis to reflect variations in the number of trading days between the first quarter of FY15 and the prior corresponding period.

## IFCO North America strategy update

Driving results and executing against our plan





## Pallets: first-quarter sales revenue






Resilient growth rate despite increased economic uncertainty

| Business unit/region    | Sales revenue (US\$M) | Growth (actual FX) | Growth (constant FX) |
|-------------------------|-----------------------|--------------------|----------------------|
| North America           | 518                   | 4%                 | 5%                   |
| Latin America           | 64                    | 4%                 | 10%                  |
| Europe                  | 325                   | 5%                 | 4%                   |
| Middle East & Africa    | 33                    | 4%                 | 10%                  |
| Australia & New Zealand | 78                    | 5%                 | 4%                   |
| Asia                    | 14                    | 11%                | 11%                  |
| <b>Total Pallets</b>    | <b>1,032</b>          | <b>4%</b>          | <b>5%</b>            |

Note: All growth figures are provided on a days-adjusted basis to reflect variations in the number of trading days between the first quarter of FY15 and the prior corresponding period.

## Key drivers of US operating costs

More sustainable pool management providing new insights





|   |                              |   |
|---|------------------------------|---|
|  | <b>New pallet commitment</b> | FY15 domestic commitment of ~2M going to zero in FY16                               |
|  | <b>Asset control</b>         | >1 percentage point reduction in loss rate in five years to FY14                    |
|  | <b>Pool utilisation</b>      | 11% increase in turn rate in five years to FY14                                     |
|  | <b>Repair standards</b>      | Maintained since Better Everyday program  |
|  | <b>Operating cost</b>        | Negligible operating margin upside in FY15 but improved long-term value proposition |

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## Update on key US growth initiatives

Development takes time but the opportunities are exciting

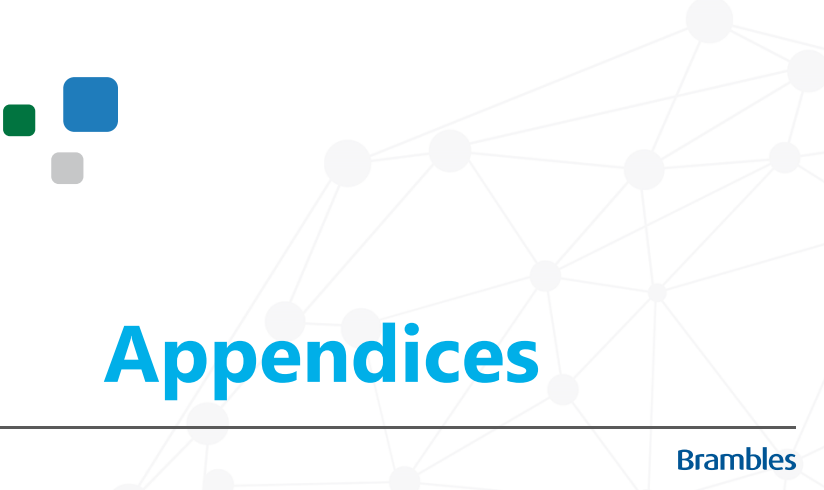
|   |   |  |
|---|---|--|
| <b>Half pallet</b>                        |  | <ul style="list-style-type: none"> <li>Retailers representing 55% of national grocery volume now in support</li> <li>Focus on 16 key manufacturers conversion to drive increased flows</li> </ul>          |
| <b>Auto after-market retail vertical</b>  |  | <ul style="list-style-type: none"> <li>Successful pallet flow study with retailer enabling engagement with manufacturers</li> <li>Container pilot in partnership with CHEP Pallecon Solutions</li> </ul>   |
| <b>Pet-care specialty retail vertical</b> |  | <ul style="list-style-type: none"> <li>Opportunity predominantly focused on pallet management and recycled pallets</li> <li>Asset control critical to driving inbound pooled flows</li> </ul>              |
| <b>Home and hardware retail vertical</b>  |  | <ul style="list-style-type: none"> <li>Leveraging strong recycled offering to drive understanding of total CHEP value proposition</li> <li>Opportunities to tender on major volumes during FY15</li> </ul> |

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**Brambles**  
**Investor Day  
Presentation**  
3 November 2014



**Appendices**

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## 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             | Results translated into US dollars at the applicable actual monthly exchange rates ruling in each period.   |
| Average Capital Invested (ACI) | Average Capital Invested (ACI) is a 12-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 and losses and net equity adjustments for equity-settled share-based payments.  |
| BVA (Brambles Value Added)     | Represents the value generated over and above the cost of the capital used to generate that value. It is calculated using fixed June 2014 exchange rates as: <ul style="list-style-type: none"> <li>- Underlying Profit; plus</li> <li>- Significant Items that are part of the ordinary activities of the business; less</li> <li>- Average Capital Invested, adjusted for accumulated pre-tax Significant Items that are part of the ordinary activities of the business, multiplied by 12%.</li> </ul> |
| 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      | Cash flow generated after net capital expenditure but excluding Significant Items that are outside the ordinary course of business.   |
| Constant currency/FX           | Current period results translated 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.  |

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## 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:

|   |   |
|---|---|
| (EBITDA) Earnings before interest, tax, depreciation and amortisation | Operating profit from continuing operations after adding back depreciation and amortisation and Significant Items outside the ordinary course of business.  |
| 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 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.  |
| 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.  |
| Return on Capital Invested (ROCI)                                     | Underlying Profit divided by Average Capital Invested.  |
| RPC   | Reusable plastic/produce crate or container, used to transport fresh produce.   |
| Sales revenue   | Excludes revenues of associates and non-trading revenue.  |
| Significant Items   | 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"> <li>- 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</li> <li>- Part of the ordinary activities of the business but unusual due to their size and nature.</li> </ul> |
| Underlying Profit   | Profit from continuing operations before finance costs, tax and Significant Items.  |

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