one
one business
one team

Brambles

Half-year results

23 February 2015

Overview & Results Highlights

Tom Gorman, CEO

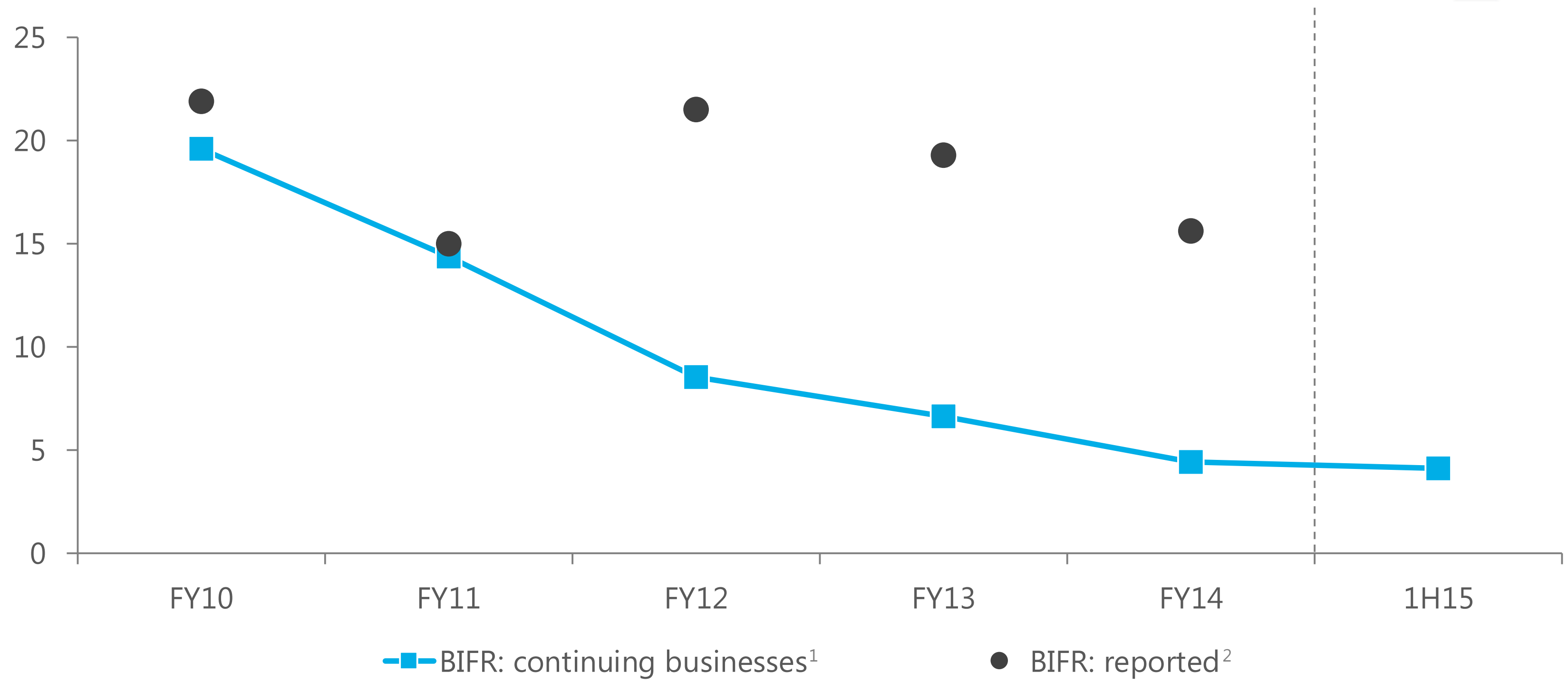
Key 1H15 result messages

Solid result with full-year guidance maintained

- On track to deliver FY15 guidance
  - Underlying Profit expected to be US$1,055-1,085M (30 June 2014 FX)
- Improved Pallets result, with leverage to bottom line
  - Strong profit performance in Europe: supply-chain efficiencies and improved sales mix
  - Direct cost challenges in North America: asset management impacts, transport inflation
- Strong positive sales and profit momentum in RPCs worldwide
- Containers result reflects diverse portfolio
  - Encouraging sales and profit momentum in IBCs and Aerospace
  - Ferguson contribution in line with Brambles' expectations
  - Automotive sector impacted by ongoing industry challenges
- Increased interim dividend of AU14.0¢ per share
- Continued improvement in Group safety performance

Group safety performance

Improving overall but one fatality in 1H15



Note: BIFR stands for Brambles Injury Frequency Rate, recorded per per million man hours; see slide 26 for full definition.
[1] Operations owned continuously throughout FY10 to 1H15, excluding businesses acquired or divested during that period.
[2] Includes restatements in FY12 to incorporate acquired operations and, in FY13 and FY14, the demerged Recall business.

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Financial highlights

Solid growth with leverage from sales to Underlying Profit

(Continuing operations)	1H15 result	Change vs. 1H14		
		Actual FX		Constant FX
Sales revenue	US$2,795M	5%		8%
Operating profit	US$466M	3%		7%
Profit after tax	US$286M	2%		6%
Underlying Profit	US$485M	6%		10%
Return on Capital Invested (ROCI)[1]	15.5%	(0.2) pp		(0.1) pp
Brambles Value Added[2]	US$126M			US$10M
Cash Flow from Operations	US$269M	US$(107)M		
Final dividends per share	AU14.0¢	AU0.5¢		

[1] Excluding the impact of acquisitions, ROCI was 16.0%, up 0.3 pp (up 0.5 pp at constant FX).
[2] Calculated at 30 June 2014 FX.

Delivery scorecard

On track for FY15 guidance and FY19 targets

FY15 Guidance	1H15 Progress
Constant FX sales revenue growth of 8-9%	On track
Delivery of Global Supply Chain efficiencies	US$12M delivered in 1H15 US$22M to deliver in 2H15
Underlying Profit: US$1,055-1,085M (30 June 2014 FX – reflecting growth of 9-12%)	On track
Improvement in Group ROCI prior to acquisition impacts	On track
Positive underlying[1] Free Cash Flow after dividends	US$(44)M result for 1H15 Improvement anticipated in 2H15

[1] Excluding Significant Items and discontinued operations.

FY19 Targets (excluding acquisitions)

- High "single digit" (i.e. 7-9%) constant FX sales revenue growth
- Average Capital Invested compound annual growth rate of 5%
- Consistent improvement in Group ROCI to at least 20% by FY19

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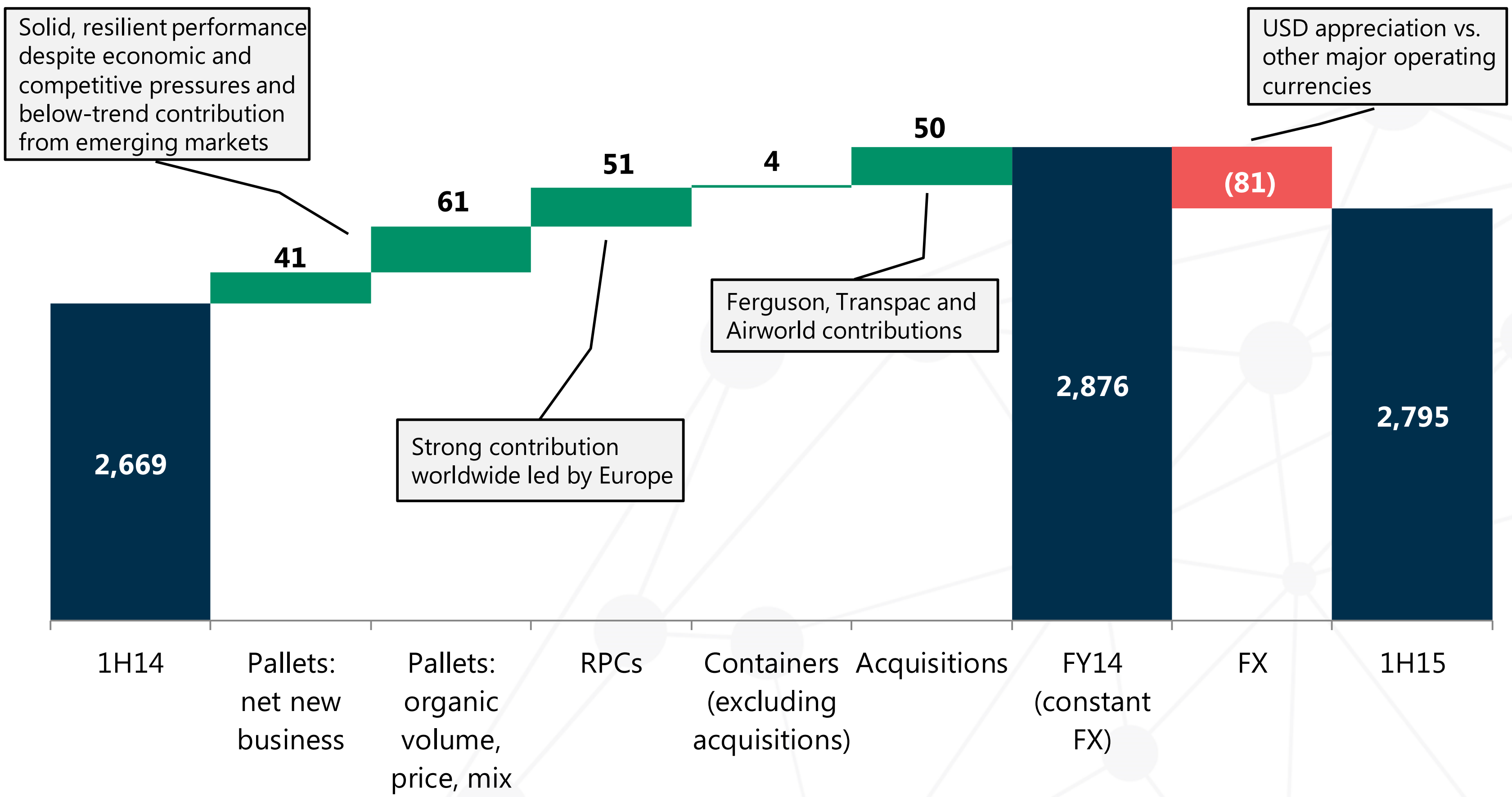
Continued momentum

Sales revenue: constant FX growth of 8% in 1H15 (US$M)



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Pallets segment result summary

Solid sales growth with bottom-line leverage

	1H15	Change vs. 1H14	
(US$M)		Actual FX	Constant FX
Americas	1,181	3%	5%
EMEA	729	1%	5%
Asia-Pacific	181	-	3%
Sales revenue	**2,091**	**2%**	**5%**
Operating profit	403	2%	6%
Underlying Profit	**410**	**4%**	**7%**
ROCI	**20.5%**	**0.4 pp**	**0.6 pp**

- Solid contribution to sales growth from net new business wins, pricing and organic volume growth
- Global Supply Chain efficiencies and modest pricing/mix benefits offset North America direct cost impacts
- Continued ROCI improvement reflects profit growth and asset management benefits

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RPCs segment results summary

Strong sales growth and improved profitability

	1H15	Change vs. 1H14	
(US$M)		Actual FX	Constant FX
Europe	305	6%	11%
North America	94	11%	11%
ANZ & South Africa	60	6%	10%
South America	12	14%	36%
Sales revenue	**471**	**7%**	**11%**
Operating profit	67	16%	19%
Underlying Profit	**67**	**16%**	**19%**
ROCI	**8.6%**	**1.1 pp**	**1.1 pp**

- All regions contribute strongly to sales growth, led by Europe, as adoption of RPCs continues
- Modest costs growth compared with 1H14 reflecting scale efficiency as business grows
- Solid improvement in ROCI commensurate with profit improvement

Containers segment result summary

Result reflects diverse portfolio of businesses

	1H15	Change vs. 1H14		
(US$M)		Actual FX	Constant FX	
			Including acquisitions	Excluding acquisitions
Automotive	74	(6)%	(3)%	(3)%
IBCs	66	22%	26%	11%
Oil & Gas	53	153%	160%	(9)%
Aerospace	40	23%	26%	5%
Sales revenue	**233**	**25%**	**29%**	**2%**
Operating profit	30	70%	75%	14%
Underlying Profit	**31**	**70%**	**76%**	**10%**
ROCI	**8.0%**	**(0.6) pp**	**(0.6) pp**	**0.7 pp**

- Sales growth primarily driven by acquisitions of Ferguson, Transpac and Airworld
- Subdued ex-acquisitions growth reflecting:
  - Industry decline in European and Australian automotive
  - Customer activity in CCC related to timing of refinery maintenance
- Positive momentum with profit margins and ROCI, excluding acquisition impacts

Ferguson and the oil industry cycle

Well-positioned to weather currently challenging conditions

Attractive fundamentals

>70%	Sales revenue from mature, producing assets
<5%	Sales revenue share of largest single customer
<1%	Sales revenue from non-conventional oil fields

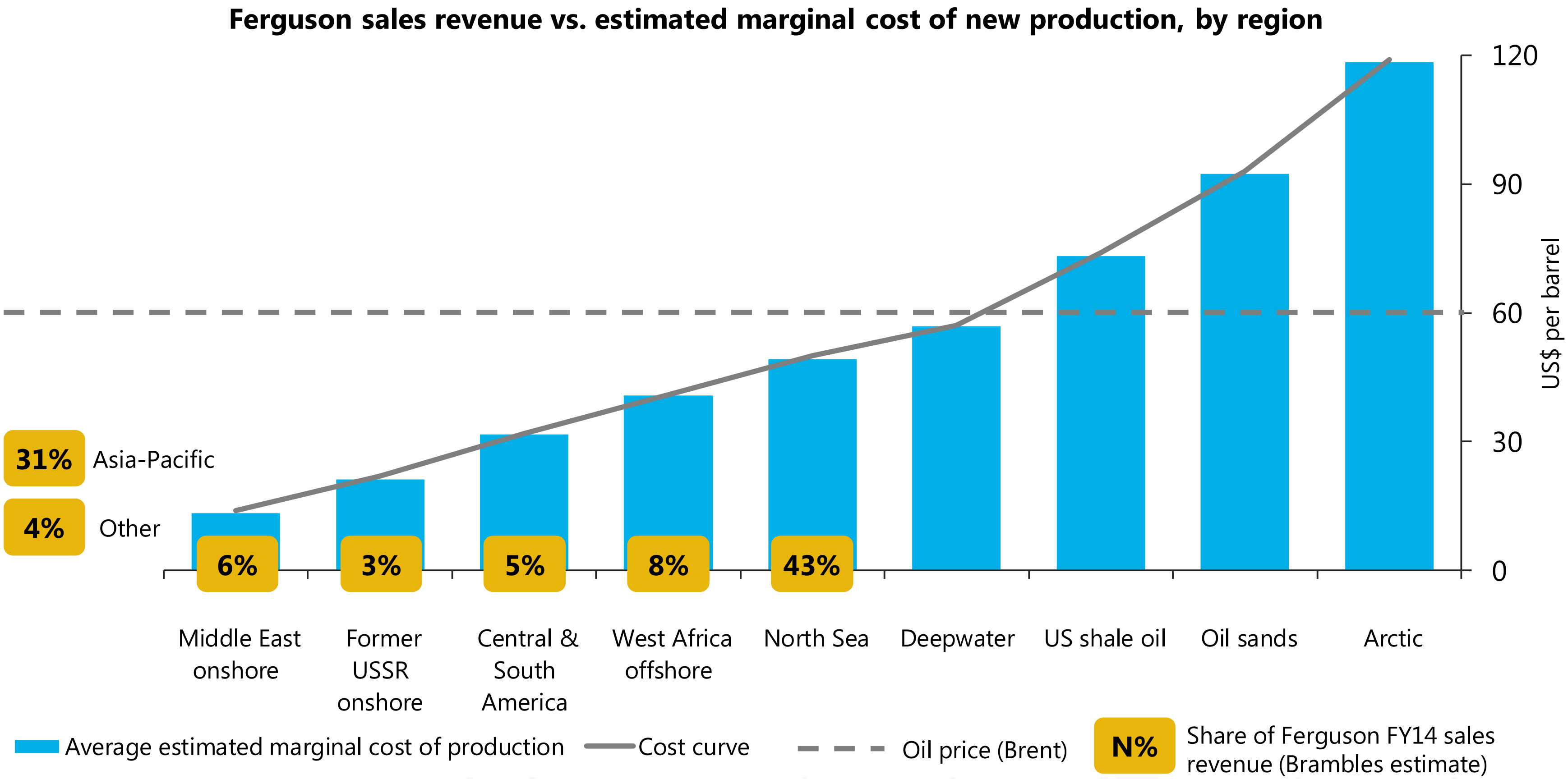
Mitigating factors

Growth during previous downturns from **product/geographic expansion**
Capability throughout life-cycle from exploration to decommissioning
Progress with **strategic sourcing** to leverage Brambles' buying power
Taking sensible steps to **reduce cost** without compromising growth

Appeal of sector to Brambles not dictated by near-term oil price and capex cycle fluctuations

Ferguson: cost curve exposure

Customer activities focused on lower cost resources



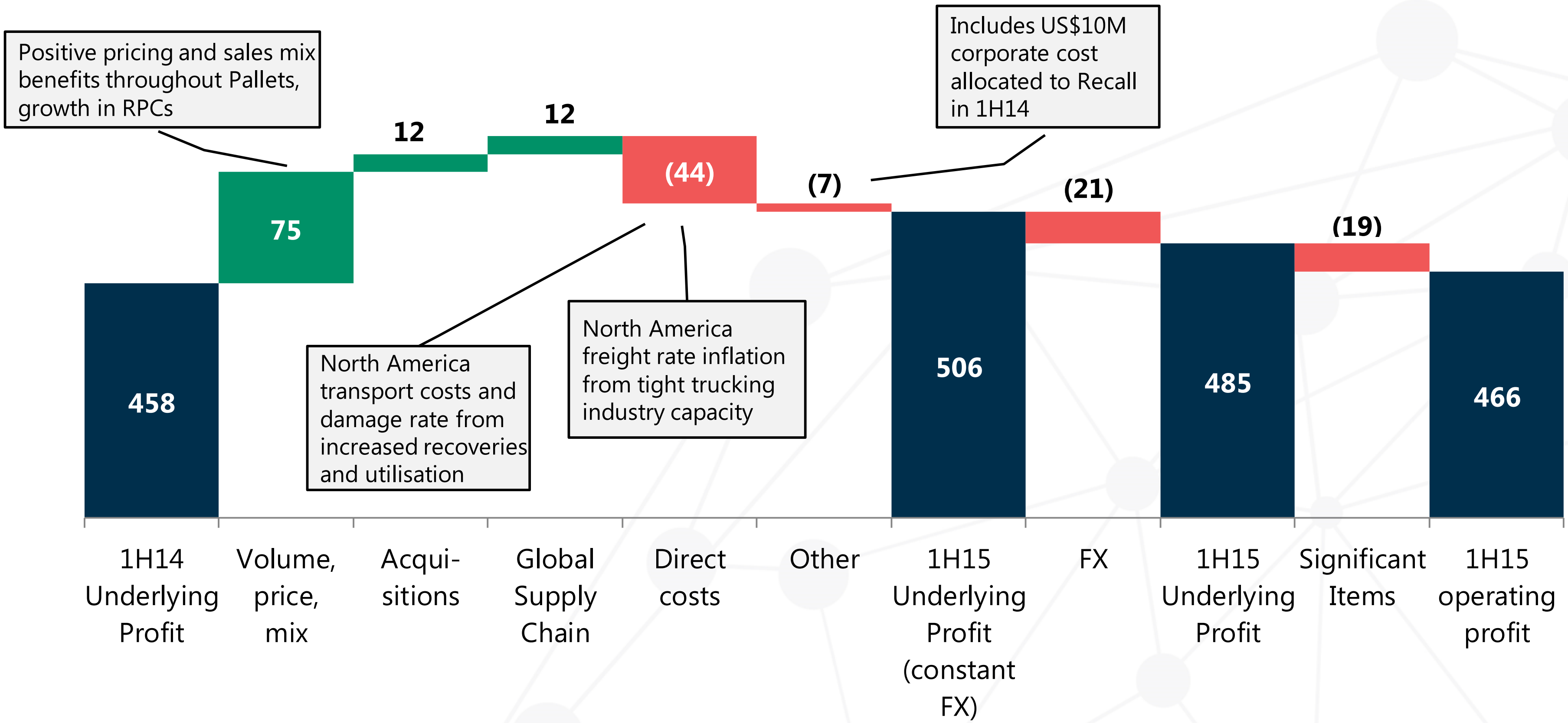
Source: Reuters survey August 2014, Brambles internal estimates

Financial Analysis

Zlatko Todorcevski, CFO

Operating profit analysis (US$M)

Continued growth offsets cost challenges and enables investment



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Pallets cost trends and outlook

Outlook improving but headwinds remain

	1H15 performance and drivers	2H15 considerations
Plant costs	▪ Asset utilisation impacts in US ▪ Global Supply Chain efficiencies	▪ Finalize plan for durability improvement ▪ Final Global Supply Chain efficiencies
Transport costs	▪ Sharp inflation in US freight rates ▪ Europe sales mix benefits	▪ Continued US inflation headwinds ▪ Reduced sales mix benefits in Europe
DIN	▪ Reduced IPEP expense	▪ Continued trend for lower DIN/sales revenue ratio
Overheads	▪ Cost savings in North America ▪ Small reduction in overheads/sales ratio globally	▪ Modest benefits from early stages of One Better program

Profit reconciliation

Modest increases in non-operating expenses

(US$M, continuing operations)	1H15	1H14	Change	
			Actual FX	Constant FX
Underlying Profit	**485**	**458**	**6%**	**10%**
Significant Items	(19)	(5)		
Operating profit	**466**	**453**	**3%**	**7%**
Net finance costs	(59)	(57)		
Tax expense	(121)	(116)		
Profit after tax	**286**	**280**	**2%**	**6%**
Weighted average number of shares	1,564M	1,558M		
Basic earnings per share (US¢)	**18.3**	**18.0**	**2%**	**6%**

Cash flow reconciliation

Increased capital expenditure to support growth

(US$M)	1H15	1H14	Change
EBITDA	**763**	**719**	**45**
Capital expenditure	(521)	(433)	(88)
Proceeds from sale of property, plant and equipment	38	34	4
Working capital movement	(27)	27	(54)
IPEP expense	42	50	(8)
Other	(27)	(21)	(6)
Cash Flow from Operations	**269**	**376**	**(107)**
Significant Items and discontinued operations	(27)	(42)	15
Financing costs and tax	(127)	(151)	24
Free Cash Flow	**115**	**183**	**(68)**
Dividends paid	(186)	(199)	13
Free Cash Flow after dividends	**(72)**	**(16)**	**(56)**

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Balance sheet position

Reflects debt-funding of Ferguson acquisition

	December 2014	June 2014
Net debt (US$M)	2,846	2,362
Average term of committed facilities (years)	4.2	4.1

	1H15	1H14
EBITDA/net finance costs (x)	12.9	12.6
Net debt/EBITDA (x)	1.86	1.66

Summary & Outlook

Tom Gorman, CEO

Key 2H15 focus areas

Short-term priorities to drive long-term value

1. **Cost** – mitigate transport inflation; deploy pallet durability actions in CHEP USA
2. **Brand** – refresh brand in CHEP Pallets; roll-out of new customer solution strategy to begin in USA
3. **Innovation** – deploy new technologies/leverage data to build customer relationships and further strengthen asset management
4. **Growth strategy** – expand in under-penetrated verticals and segments and new geographies

FY15 guidance[1] summary

Strong sales growth with positive leverage to Underlying Profit

- Constant FX sales revenue growth expected to be 8% to 9%
- Underlying Profit of US$1,055-1,085M (30 June 2014 FX rates)
  - Equates to growth of 9-12% compared with FY14[2]
  - Includes ~US$25M forecast contribution from Ferguson
- Net finance costs expected to be US$125-130M (30 June 2014 FX rates)
- Effective underlying tax rate anticipated at 29% (net of finance costs)
- Continued expectation for ROCI improvement excluding acquisitions
  - Acquisition impacts to result in dilution in reported ROCI vs. FY14

[1] All guidance is subject to the disclaimer on slide 23.
[2] At 30 June 2014 FX rates, reported 1H15 Underlying Profit of US$485M was US$509M and FY14 Underlying Profit of US$960M was US $965M

Q&A

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