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19 February 2014

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 2013

Attached is a release to the Exchange from Brambles Limited on its financial report for the half-year ended 31 December 2013.

Yours faithfully
Brambles Limited

Robert Gerrard
Group Company Secretary

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19 February 2014

ASX & Media Release

BRAMBLES REPORTS 11% OPERATING PROFIT GROWTH FOR 1H14 AND CONFIRMS FY14 GUIDANCE

- Modest improvement in economic conditions in key markets supports strong sales and profit results
- Pallets: return on capital up on efficiency and asset utilisation gains
- RPCs: volumes up in all regions with actions to drive sales and offset profit impacts in North America
- Containers: strong Pallecon contribution, organic growth and profitability improvement
- Successful completion of Recall demerger in December 2013
- FY14 Underlying Profit[1] guidance[2] confirmed at US$930 million to US$965 million (at 30 June 2013 foreign exchange rates[3])
- Commitment to reduce overheads by US$100M from FY14 levels progressively over FY15 to FY19; additional opportunity to manage future increases

RESULTS HIGHLIGHTS

(Continuing operations)	1H14 result	Growth vs. 1H13 (actual FX)	Growth vs. 1H13 (constant FX[4])
Sales revenue	US$2,669M	+7%	+8%
Operating profit	US$453M	+11%	+11%
Profit after tax	US$280M	+11%	+9%
Basic earnings per share	US18.0¢	+10%	+8%
Underlying Profit[1]	US$458M	+10%	+11%
Underlying earnings per share	US18.2¢	+8%	+9%
Return on Capital Invested[5]	15.7%	+0.3 pts	
Cash Flow from Operations[6]	US$376M	+US$81M	
Interim dividend per share	A13.5¢	-	

Brambles generated sales revenue of US$2,669 million in the six months ended 31 December 2013, up 7%, driven by improved operating conditions in key developed markets, the rollover benefit of prior year net new business wins and the ongoing execution of the Company's diversification strategy.

Operating profit was US$453 million, up 11%, as volume growth throughout the group and sales mix and efficiency gains in the Pallets segment, in particular in EMEA, more than offset profit impacts, including some one-off items, in the Reusable Produce Crates (RPCs) operations.

Underlying Profit[1], which excludes Significant Items[7], was US$458 million, up 10%. Efficiency gains and improved asset utilisation in the Pallets business resulted in a 0.3 percentage point increase in Return on Capital Invested[5] for the Group to 15.7%. Cash Flow from Operations[6] increased US$81 million to US$376 million.

DIVIDEND

Brambles' interim dividend is 13.5 Australian cents per share, with franking of 30%. This reflects the Board's stated intention to maintain the annual dividend of 27.0 Australian cents per share, equivalent to FY13, notwithstanding the Recall Demerger in December 2013. The interim dividend is payable on 10 April 2014 to shareholders on Brambles' register on 14 March 2014. The ex-dividend date is 10 March 2014.

[1] Underlying Profit is profit from continuing operations before finance costs, tax and Significant Items.
[2] All guidance is subject to unforeseen circumstances and the Forward-Looking Statements disclaimer on Page 10.
[3] On a comparable basis, 1H14 Underlying Profit translates to US$452 million and FY13 Underlying Profit of US$895 million.
[4] Constant foreign exchange rates are calculated by translating reported period results into US dollars at the actual monthly exchange rates applicable in the prior corresponding period.
[5] Return on Capital Invested is calculated as Underlying Profit divided by Average Capital Invested (see Footnote 10).
[6] Cash Flow from Operations is cash flow generated after net capital expenditure but excluding Significant Items that are outside of the ordinary course of business.
[7] Significant Items are items of income or expense that 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.

CEO COMMENTARY

Brambles' CEO Tom Gorman said: "This is a solid first-half result, reflecting modest improvement in underlying economic conditions in our key markets of the USA and Western Europe as well as the ongoing execution of our objectives to diversify the business and deliver efficiency gains.

"In the Pallets segment, better economic conditions are supporting our ongoing efforts to improve our sales mix and run our pools more efficiently in CHEP's major countries of operation. We are able to be more selective and disciplined in the opportunities we pursue as we continue to focus on serving our customers better and developing a stronger asset utilisation profile.

"In the RPCs segment, we have achieved continued strong volume growth in all regions, although this was insufficient to offset in full some expected increases to depreciation and marketing costs, as well as adverse sales mix and pricing pressures in North America, and some one-off costs. We are confident the actions we are undertaking under new leadership in North America will mitigate pressures in that region.

"The Containers business achieved higher sales and profitability in the period, reflecting the strong contribution of Pallecon, acquired in December 2012, improved organic conditions in most business units, and the more efficient utilisation of overhead costs as the business grows."

OUTLOOK[2]

Mr Gorman said: "We expect constant-currency sales revenue growth for FY14 to be approximately 7%. We continue to expect Underlying Profit[1] for the 2014 financial year to be within the previous guidance range of US$930 million to US$965 million, at 30 June 2013 foreign exchange rates.

"We continue to expect second-half profit growth to be slower than it was in the first half, reflecting: the smaller contribution to growth from net new business wins in the short term; the timing of the Pallecon acquisition; ongoing cost headwinds; and the potential impact of ongoing severe weather in the Northern Hemisphere.

"Separately, we have committed to a significant program to manage overheads more effectively across the Group. Over the FY15 to FY19 period, we are confident of progressively removing US$100 million from our current levels of overhead costs and of managing future increases."

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Brambles Limited (ASX:BXB) is a supply-chain logistics company operating in more than 50 countries, primarily thought 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, primarily to the consumer goods, dry grocery, fresh food, retail and general manufacturing supply chains. In addition, Brambles owns specialist business serving the automotive, aviation and refining sectors. Brambles employs more than 13,500 people and owns approximately 450 million pallets, crates and containers through a network of more than 850 service centres. For further information, please visit www.brambles.com.

BACKGROUND INFORMATION

(US$M)	1H14	1H13	2H13	FY13
SALES REVENUE				
Pallets – Americas	**1,142.4**	1,074.7	1,131.1	2,205.8
Pallets – EMEA	**713.8**	669.4	677.4	1,346.8
Pallets - Asia-Pacific	**186.0**	198.4	193.4	391.8
Total Pallets	**2,042.2**	1,942.5	2,001.9	3,944.4
RPCs	**440.9**	405.9	406.9	812.8
Containers	**186.2**	137.7	188.0	325.7
Continuing operations (including HQ)	**2,669.3**	2,486.1	2,596.8	5,082.9
OPERATING PROFIT				
Pallets – Americas	**204.6**	190.8	223.8	414.6
Pallets – EMEA	**156.9**	135.1	133.1	268.2
Pallets - Asia-Pacific	**32.6**	34.3	42.9	77.2
Total Pallets	**394.1**	360.2	399.8	760.0
RPCs	**58.2**	68.3	70.1	138.4
Containers	**17.8**	7.6	20.4	28.0
Continuing operations (including HQ)	**452.9**	409.0	474.0	883.0
OPERATING PROFIT MARGIN				
Pallets – Americas	**17.9%**	17.8%	19.8%	18.8%
Pallets – EMEA	**22.0%**	20.2%	19.6%	19.9%
Pallets - Asia-Pacific	**17.5%**	17.3%	22.2%	19.7%
Total Pallets	**19.3%**	18.5%	20.0%	19.3%
RPCs	**13.2%**	16.8%	17.2%	17.0%
Containers	**9.6%**	5.5%	10.9%	8.6%
Continuing operations (including HQ)	**17.0%**	16.5%	18.3%	17.4%
EBITDA[8]				
Pallets – Americas	**308.0**	285.1	327.8	612.9
Pallets – EMEA	**220.7**	202.3	209.7	412.0
Pallets – Asia-Pacific	**55.1**	58.6	67.7	126.3
Total Pallets	**583.8**	546.0	605.2	1,151.2
RPCs	**108.0**	111.7	112.5	224.2
Containers	**39.8**	24.2	42.2	66.4
Continuing operations (including HQ)	**718.6**	663.6	745.1	1,408.7
EBITA[9]				
Pallets – Americas	**215.7**	196.9	236.4	433.3
Pallets - EMEA	**156.9**	139.0	146.0	285.0
Pallets - Asia-Pacific	**33.0**	35.1	43.7	78.8
Total Pallets	**405.6**	371.0	426.1	797.1
RPCs	**69.0**	78.2	81.0	159.2
Containers	**20.1**	8.8	22.9	31.7
Continuing operations (including HQ)	**481.3**	439.3	514.8	954.1

8 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.
9 As EBITDA but without adding back depreciation.

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BACKGROUND INFORMATION – CONTINUED

(US$M)	1H14	1H13	2H13	FY13
UNDERLYING PROFIT				
Pallets – Americas	**205.8**	189.7	229.4	419.1
Pallets - EMEA	**156.9**	136.6	145.8	282.4
Pallets – Asia-Pacific	**33.0**	34.3	44.5	78.8
Total Pallets	**395.7**	360.6	419.7	780.3
RPCs	**58.2**	68.3	70.4	138.7
Containers	**18.0**	7.6	20.8	28.4
Continuing operations (including HQ)	**458.1**	417.6	495.4	913.0
UNDERLYING PROFIT MARGIN				
Pallets - Americas	**18.0%**	17.7%	20.3%	19.0%
Pallets - EMEA	**22.0%**	20.4%	21.5%	21.0%
Pallets - Asia-Pacific	**17.7%**	17.3%	23.0%	20.1%
Total Pallets	**19.4%**	18.6%	21.0%	19.8%
RPCs	**13.2%**	16.8%	17.3%	17.1%
Containers	**9.7%**	5.5%	11.1%	8.7%
Continuing operations (including HQ)	**17.2%**	16.8%	19.1%	18.0%
AVERAGE CAPITAL INVESTED[10]				
Pallets – Americas	**2,244.9**	2,147.0	2,208.4	2,177.7
Pallets - EMEA	**1,290.9**	1,240.3	1,234.5	1,237.4
Pallets - Asia-Pacific	**398.4**	421.1	415.9	418.5
Total Pallets	**3,934.2**	3,808.4	3,858.8	3,833.6
RPCs	**1,552.2**	1,429.6	1,501.4	1,465.5
Containers	**417.4**	248.3	435.3	341.8
Continuing operations (including HQ)	**5,831.8**	5,423.8	5,730.0	5,576.9
RETURN ON CAPITAL INVESTED (ANNUALISED)				
Pallets – Americas	**18.3%**	17.7%	20.8%	19.2%
Pallets – EMEA	**24.3%**	22.0%	23.6%	22.8%
Pallets - Asia-Pacific	**16.6%**	16.3%	21.4%	18.8%
Total Pallets	**20.1%**	18.9%	21.8%	20.4%
RPCs	**7.5%**	9.6%	9.4%	9.5%
Containers	**8.6%**	6.1%	9.6%	8.3%
Continuing operations (including HQ)	**15.7%**	15.4%	17.3%	16.4%
CASH FLOW FROM OPERATIONS				
Pallets – Americas	**161.4**	159.1	159.2	318.3
Pallets – EMEA	**132.7**	89.1	173.4	262.5
Pallets - Asia-Pacific	**20.9**	20.9	42.6	63.5
Total Pallets	**315.0**	269.1	375.2	644.3
RPCs	**59.5**	43.5	7.2	50.7
Containers	**10.3**	6.3	31.0	37.3
Continuing operations (including HQ)	**375.8**	295.2	402.1	697.3

[10] Average Capital Invested is a monthly average of capital invested in the period, 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.

BACKGROUND INFORMATION – CONTINUED

(US$M)	1H14	1H13	2H13	FY13
CAPITAL EXPENDITURE ON PROPERTY, PLANT & EQUIPMENT (ACCRUALS BASIS)				
Pallets – Americas	**170.4**	153.9	176.2	330.1
Pallets – EMEA	**128.5**	132.3	101.4	233.7
Pallets - Asia-Pacific	**31.5**	32.9	39.6	72.5
Total Pallets	**330.4**	319.1	317.2	636.3
RPCs	**87.2**	112.9	83.1	196.0
Containers	**25.6**	15.7	16.5	32.2
Continuing operations (including HQ)	**443.3**	448.7	417.0	865.7
DEPRECIATION OF PROPERTY, PLANT & EQUIPMENT				
Pallets – Americas	**92.3**	88.2	91.4	179.6
Pallets - EMEA	**63.8**	63.3	63.7	127.0
Pallets - Asia-Pacific	**22.1**	23.5	24.0	47.5
Total Pallets	**178.2**	175.0	179.1	354.1
RPCs	**39.0**	33.5	31.5	65.0
Containers	**19.7**	15.4	19.3	34.7
Continuing operations (including HQ)	**237.3**	224.3	230.3	454.6
NUMBER OF PALLETS, RPCS & CONTAINERS (MILLIONS)[11]				
Pallets – Americas	**111**	106		107
Pallets - EMEA	**115**	115		112
Pallets - Asia-Pacific	**22**	21		21
Total Pallets	**248**	242		240
RPCs	**199**	183		190
Containers	**13**	14		13
Continuing operations	**460**	439		443
BRAMBLES VALUE ADDED[12]				
Pallets - Americas	**79.4**	67.5	99.8	167.3
Pallets - EMEA	**77.6**	58.4	66.8	125.2
Pallets - Asia-Pacific	**8.9**	6.9	16.4	23.3
Total Pallets	**165.9**	132.8	183.0	315.8
RPCs	**(34.6)**	(18.9)	(20.9)	(39.8)
Containers	**(7.0)**	(7.9)	(5.9)	(13.8)
Continuing operations (including HQ)	**113.2**	92.5	155.3	247.8

[11] Shown gross, before provisions.
[12] Brambles Value Added (BVA) is the value generated over and above the cost of capital used to generate that value. It is calculated using fixed 30 June 2013 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 course of business, multiplied by 12%.

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GROUP OVERVIEW

SALES REVENUE

(US$M)			Change	
Segment	1H14	1H13	Actual FX	Constant FX[1]
Pallets – Americas	1,142.4	1,074.7	6%	8%
Pallets – EMEA	713.8	669.4	7%	5%
Pallets - Asia-Pacific	186.0	198.4	(6)%	4%
Total Pallets	**2,042.2**	**1,942.5**	**5%**	**6%**
RPCs	440.9	405.9	9%	8%
Containers	186.2	137.7	35%	37%
Total continuing operations	**2,669.3**	**2,486.1**	**7%**	**8%**

Brambles' sales revenue in the six months ended 31 December 2013 was US$2,669.3 million, up 7% (8% at constant currency[1]) compared with the prior corresponding period, reflecting increased sales volumes throughout the group. The main drivers were: improved organic and pricing conditions in developed markets and the rollover benefit of prior-year new business wins in Pallets; the contribution of the Pallecon acquisition in Containers; and the continued expansion of the RPCs business.

OPERATING PROFIT

(US$M)			Change	
Segment	1H14	1H13	Actual FX	Constant FX[1]
Pallets – Americas	204.6	190.8	7%	9%
Pallets – EMEA	156.9	135.1	16%	16%
Pallets – Asia-Pacific	32.6	34.3	(5)%	7%
Total Pallets	**394.1**	**360.2**	**9%**	**11%**
RPCs	58.2	68.3	(15)%	(14)%
Containers	17.8	7.6	134%	137%
Brambles HQ	(17.2)	(27.1)	37%	6%
Total continuing operations	**452.9**	**409.0**	**11%**	**11%**

Operating profit was US$452.9 million, up 11% (11% at constant currency). The profit result primarily reflected sales growth as well as sales mix and efficiency improvements in Pallets (mostly in EMEA). These improvements more than offset higher direct costs in the Americas region of the Pallets business and the decline in profit in RPCs.

NB: Detailed business unit commentary is provided in the Segment Review beginning on Page 8.

PROFIT AFTER TAX

(US$M)			Change	
	1H14	1H13	Actual FX	Constant FX[1]
Continuing operations				
Operating profit	**452.9**	**409.0**	**11%**	**11%**
Net finance costs	(56.9)	(54.6)	(4)%	(4)%
Tax expense	(115.6)	(101.5)	(14)%	(18)%
Profit after tax	**280.4**	**252.9**	**11%**	**9%**
Weighted average number of shares (M)	1,558.2	1,545.4	1%	1%
EPS from (US cents)	**18.0**	**16.4**	**10%**	**8%**
Profit from discontinued operations	678.6	49.6		
Profit after tax	959.0	302.5		
EPS (US cents)	61.5	19.6		

Net finance costs were US$56.9 million, an increase of 4%, reflecting higher average bank borrowings since the completion of the Pallecon acquisition in January 2013.

Tax expense was US$115.6 million, an increase of 14% (18% at constant currency). The effective tax rate on operating profit (after net finance costs) remains at 29%.

Profit after tax from continuing operations was US$280.4 million, up 11% (9% at constant currency), in line with the increase in operating profit. Basic earnings per share were 18.0 US cents, up 10% (8% at constant currency).

Discontinued operations during the period primarily comprised the contribution of Recall and the accounting profit recognised on the demerger of that business in December 2013.

Recall's sales revenue during the period was US$405.5 million, broadly unchanged from the prior corresponding period (up 4% at constant currency). The Recall result included the contribution of the Singapore joint venture, of which Brambles acquired the 51% that Recall did not previously own in November 2013. The result reflected continued growth in Document Management Solutions and Data Protection Services, which more than offset lower service revenue from Secure Destruction Services. Operating profit from discontinued operations was US$53.8 million.

Brambles recognised an accounting profit on the demerger of US$663.7 million, net of US$42.7 million of transaction costs.

DIVIDENDS

Brambles' has declared an interim dividend of 13.5 Australian cents per share, in line with the 2013 interim and final dividends. This reflects the stated intention of the Board to keep the dividend at least at FY13 levels, notwithstanding the demerger of Recall[2]. Brambles will pay the final dividend on 10 April 2014 to shareholders on the register at 5pm on 14 March 2014. The final dividend is 30% franked. The ex-dividend date is 10 March 2014. 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.

[1] Calculated by translating reported period results into US dollars at the actual monthly exchange rates applicable in the prior corresponding period.

[2] Subject to Brambles' financial performance and cash requirements during the relevant period and any unforeseen circumstances.

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UNDERLYING PROFIT[3]

(US$M)			Change	
Segment	**1H14**	**1H13**	**Actual FX**	**Constant FX[1]**
Pallets – Americas	205.8	189.7	8%	10%
Pallets – EMEA	156.9	136.6	15%	14%
Pallets – Asia-Pacific	33.0	34.3	(4)%	8%
Total Pallets	**395.7**	**360.6**	**10%**	**12%**
RPCs	58.2	68.3	(15)%	(14)%
Containers	18.0	7.6	137%	139%
Brambles HQ	(13.8)	(18.9)	27%	8%
Total continuing operations	**458.1**	**417.6**	**10%**	**11%**

Underlying Profit, which excludes Significant Items, was US$458.1 million, up 10% (11% at constant currency), reflecting the same trends as for operating profit.

Reconciliation of Underlying Profit to Operating Profit

(US$M)	1H14	1H13
Underlying Profit	**458.1**	**417.6**
Significant Items:		
Acquisition-related costs	-	(4.5)
Restructuring & integration costs	(5.2)	(4.1)
Total Significant Items	**(5.2)**	**(8.6)**
Operating profit	**452.9**	**409.0**

Significant Items were US$(5.2) million, down from US$(8.6) million. They related to costs associated with restructuring and redundancy and integrating Pallecon.

RETURN ON CAPITAL METRICS

Return on Capital Invested[4]

Segment (US$M)	1H14	1H13	Change
Pallets – Americas	18.3%	17.7%	0.6pp
Pallets – EMEA	24.3%	22.0%	2.3pp
Pallets – Asia-Pacific	16.6%	16.3%	0.3pp
Total Pallets	**20.1%**	**18.9%**	**1.2pp**
RPCs	7.5%	9.6%	(2.1)pp
Containers	8.6%	6.1%	2.5pp
Total continuing operations	**15.7%**	**15.4%**	**0.3pp**

Return on Capital Invested across the Group was 15.7%, up 0.3 percentage points. The main driver was continued profitability and capital efficiency gains in Pallets, in particular in EMEA, where improved economic conditions have enabled CHEP to be more selective and disciplined in deploying pallets towards opportunities with stronger asset utilisation and control characteristics. These improvements, as well as the improved performance of Containers, more than offset the impact of reduced profit in RPCs.

Brambles Value Added

Brambles Value Added[5] (BVA) was US$113.2 million, up US$20.7 million.

(US$M, fixed June 2013 FX)	1H14	1H13	Change
Pallets – Americas	79.4	67.5	11.9
Pallets - EMEA	77.6	58.4	19.2
Pallets - Asia-Pacific	8.9	6.9	2.0
Total Pallets	**165.9**	**132.8**	**33.1**
RPCs	(34.6)	(18.9)	(15.7)
Containers	(7.0)	(7.9)	0.9
Brambles HQ	(11.1)	(13.5)	2.4
Total continuing operations	**113.2**	**92.5**	**20.7**

CAPITAL EXPENDITURE ON PROPERTY, PLANT & EQUIPMENT (ACCRUALS BASIS)

(US$M)	1H14	1H13	Change
Pallets – Americas	170.4	153.9	16.5
Pallets – EMEA	128.5	132.3	(3.8)
Pallets - Asia-Pacific	31.5	32.9	(1.4)
Total Pallets	**330.4**	**319.1**	**11.3**
RPCs	87.2	112.9	(25.7)
Containers	25.6	15.7	9.9
Brambles HQ	0.1	1.0	(0.9)
Total continuing operations	**443.3**	**448.7**	**(5.4)**

Capital expenditure on property, plant and equipment (accruals basis) was US$443.3 million, down US$5.4 million, as reduced growth capital expenditure in the RPCs segment and the benefits of improved asset utilisation in Pallets more than offset the requirement to fund growth.

Maintenance capital expenditure in Pallets was a similar level as the prior corresponding period, continuing its trend of declining as a proportion of sales revenue.

[3] Underlying Profit is profit from continuing operations before finance costs, tax and Significant Items.

[4] Return on Capital Invested is Underlying Profit divided by Average Capital Invested (which Brambles defines as a monthly average of capital invested in the period, 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).

[5] Brambles Value Added (BVA) is the value generated over and above the cost of capital used to generate that value. It is calculated using fixed 30 June 2013 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 course of business, multiplied by 12%.

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CASH FLOW

(US$M)	1H14	1H13	Change
Underlying Profit	458.1	417.6	40.5
Depreciation and amortisation	260.5	246.0	14.5
EBITDA	**718.6**	**663.6**	**55.0**
Capital expenditure	(433.4)	(421.7)	(11.7)
Proceeds from sale of PP&E	34.3	34.9	(0.6)
Working capital movement	26.8	(16.5)	43.3
Irrecoverable pooling equipment provision	50.1	54.3	(4.2)
Provisions/other	(20.6)	(19.4)	(1.2)
Cash Flow from Operations	**375.8**	**295.2**	**80.6**
Significant Items	(20.6)	(15.6)	(5.0)
Discontinued operations	(21.7)	62.4	(84.1)
Financing costs and tax	(150.6)	(164.7)	14.1
Free Cash Flow	**182.9**	**177.3**	**5.6**
Dividends paid	(198.7)	(210.3)	11.6
Free Cash Flow after dividends	**(15.8)**	**(33.0)**	**17.2**

Cash Flow from Operations[6] increased to US$375.8 million, up US$80.6 million. The main contributing factor, in addition to the increase in EBITDA, was a US$43.3 million improvement in the working capital movement. The change mostly reflected tighter working capital management.

Free Cash Flow after dividends of US$(15.8) million (up US$17.2 million) primarily reflected Recall demerger transaction costs, lower Recall EBITDA and increased Recall capital expenditure and working capital, all reported within discontinued operations.

NET DEBT & KEY RATIOS

(US$M)	Dec 13	Jun 13	Change
Current debt	282.9	156.9	126.0
Non-current debt	2,624.8	2,686.4	(61.6)
Gross debt	**2,907.7**	**2,843.3**	**64.4**
Less cash	(515.9)	(128.9)	(387.0)
Net debt	**2,391.8**	**2,714.4**	**(322.6)**
KEY RATIOS (x)	**1H14[7]**	**1H13**	
Net debt to EBITDA	1.66	1.74	
EBITDA interest cover	12.6	14.0	

Net debt was down US$322.6 million to US$2,391.8 million at 31 December 2013, reflecting the demerger of Recall.

For continuing operations, net debt was 1.66 times EBITDA and EBITDA interest cover was 12.6 times. The net-debt-to-EBITDA ratio was within Brambles' financial policy target of less than 1.75 times. Key financial ratios remained well within the financial covenants included in Brambles' financing agreements.

[6] Cash Flow from Operations is cash flow generated after net capital expenditure but excluding Significant Items that are outside the ordinary course of business.
[7] Shown for continuing operations only.

At 31 December 2013, Brambles had committed credit facilities including bonds and notes totalling US$3,981 million, largely unchanged from 30 June 2013. Undrawn committed borrowing capacity totalled US$1,145 million, again largely unchanged. Available cash was US$516 million, up from US$129 million at 30 June 2013, mainly reflecting the proceeds from the Recall demerger.

The average term to maturity of Brambles' committed credit facilities at 31 December 2013 was 3.5 years.

SEGMENT REVIEW

PALLETS – AMERICAS

(US$M)			Change	
	1H14	1H13	Actual FX	Constant FX[1]
Sales revenue	1,142.4	1,074.7	6%	8%
Operating profit	204.6	190.8	7%	9%
Margin	*17.9%*	*17.8%*	*0.1pp*	
Significant Items:				
Restructuring	1.2	(1.1)		
Underlying Profit	205.8	189.7	8%	10%
Margin	*18.0%*	*17.7%*	*0.3pp*	

Sales

Sales revenue in the Americas region of the Pallets segment was US$1,142.4 million, up 6% (8% at constant currency), led by improved organic and pricing conditions in all business units and the rollover benefit of prior year net new business wins[8] in CHEP USA.

Net new business wins throughout Pallets Americas were US$30 million, contributing 3% constant currency sales revenue growth. Net new business won during the period reflected lane expansion with several key customers, as well as the loss of some business in IFCO Pallet Management Services (PMS) and CHEP USA.

- CHEP North America sales revenue was US1,000.3 million, up 6% (7% at constant currency), within which: CHEP USA sales revenue was US$648.8 million, up 6%; IFCO PMS sales revenue was US$206.8 million, up 7%; and CHEP Canada sales revenue was US$144.7 million, up 4% (9% at constant currency).
- CHEP Latin America sales revenue was US$131.4 million, up 8% (14% at constant currency).
- LeanLogistics external sales revenue was US$10.7 million, up 6%.

Profit

Operating profit was US$204.6 million, up 7% (9% at constant currency). The operating profit margin was up 0.1 percentage points at 17.9%. Indirect cost reductions and the delivery of incremental benefits from the global Pallets efficiencies and IFCO PMS integration synergies programs offset higher pallet repair and relocation costs.

[8] Net new business wins are 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 wins 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.

PALLETS – EMEA

(US$M)			Change	
	1H14	1H13	Actual FX	Constant FX[1]
Sales revenue	713.8	669.4	7%	5%
Operating profit	156.9	135.1	16%	16%
Margin	*22.0%*	*20.2%*	*1.8pp*	
Significant Items:				
Restructuring	-	1.5		
Underlying Profit	156.9	136.6	15%	14%
Margin	*22.0%*	*20.4%*	*1.6pp*	

Sales

Sales revenue in Pallets EMEA was US$713.8 million, up 7% (5% at constant currency), driven primarily by improved organic conditions in Western Europe, ongoing expansion in emerging markets and the rollover benefit of prior period net new business wins. Retailer acceptance of the CHEP solution continues to increase in Germany.

Net new business wins were US$12 million, contributing constant currency sales revenue growth of 2%. The slowing of net new business wins, in particular in the UK, came as stronger organic operating conditions enabled a more selective approach to the pursuit of business wins and renewals and to drive the more efficient deployment of pallets.

- CHEP Europe sales revenue was US$645.8 million, up 8% (4% in constant currency), within which: Mid Europe sales revenue was US$201.0 million, up 14% (8% at constant currency); UK & Ireland sales revenue was US$185.8 million, up 1% (1% at constant currency); Iberia sales revenue was US$125.5 million, up 4% (down 2% at constant currency); France sales revenue was US$86.3 million, up 9% (3% at constant currency); and Central & Eastern Europe sales revenue was US$47.2 million, up 24% (23% at constant currency).
- CHEP Middle East & Africa sales revenue was US$68.0 million, down 3% (up 13% at constant currency).

Profit

Operating profit was US$156.9 million, up 16% (16% at constant currency). The operating profit margin was 22.0%, up 1.8 percentage points, driven primarily by volume and sales mix improvements throughout the region.

PALLETS – ASIA-PACIFIC

(US$M)			Change	
	1H14	1H13	Actual FX	Constant FX[1]
Sales revenue	186.0	198.4	(6)%	4%
Operating profit	32.6	34.3	(5)%	7%
Margin	*17.5%*	*17.3%*	*0.2pp*	
Significant Items:				
Restructuring	0.4	-		
Underlying Profit	33.0	34.3	(4)%	8%
Margin	*17.7%*	*17.3%*	*0.4pp*	

Sales

Sales revenue in Pallets Asia-Pacific was US$186.0 million, down 6%, reflecting the weakening of the Australian dollar against the US dollar. On a constant-currency basis, sales revenue was up 4%, reflecting pricing and organic growth and the continued expansion of the display pallets business in Australia. In Asia, growth was slower, reflecting the strategy to focus on increasing adoption of dynamic pooling as opposed to static hire in China.

Net new business wins were US$1 million, reflecting a selective approach to the pursuit of business renewals in Australia and a slowing of the rate of expansion in China.

- CHEP Australia & New Zealand sales revenue was US$159.5 million, down 8% (up 3% in constant currency).
- CHEP Asia sales revenue was US$26.5 million, up 8% (11% at constant currency).

Profit

Operating profit was US$32.6 million, down 5% (up 7% at constant currency). The operating profit margin was 17.5%, up 0.2 percentage points. Pricing improvements in Australia and China more than offset higher plant costs in Australia & New Zealand and inflationary impacts in China.

RPCs

(US$M)			Change	
	1H14	1H13	Actual FX	Constant FX[1]
Sales revenue	440.9	405.9	9%	8%
Operating profit	58.2	68.3	(15)%	(14)%
Margin	*13.2%*	*16.8%*	*(3.6)pp*	

Sales

Sales revenue in RPCs was US$440.9 million, up 9% (8% at constant currency), primarily reflecting improved organic conditions and expansion with major retailers in Europe and increased penetration in Australia, South Africa and New Zealand.

Growth in North America was relatively modest as, despite continued expansion with major retailers, the rate of conversion of new customers remained slower than anticipated.

- Europe sales revenue was US$288.6 million, up 11% (7% at constant currency).
- North America sales revenue was US$84.4 million, up 5%.
- Australia, New Zealand and South Africa sales revenue was US$56.8 million, up 2% (15% at constant currency).

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- South America sales revenue was US$11.1 million, up 7% (25% at constant currency).

Profit

Operating profit was US$58.2 million, down 15% (14% at constant currency). The operating profit margin was down 3.6 percentage points to 13.2%.

The lower profit primarily reflected:

- One-off costs from benefits paid to the former IFCO CEO and CFO, who retired during the period, and the accelerated depreciation of some assets in South America;
- Higher depreciation costs, reflecting prior period investments in expanding the pool to support growth;
- Pricing and sales mix impacts in the North American business; and
- Higher marketing costs.

CONTAINERS

(US$M)			Change	
	1H14	1H13	Actual FX	Constant FX[1]
Sales revenue	186.2	137.7	35%	37%
Operating profit	17.8	7.6	134%	137%
Margin	*9.6%*	*5.5%*	*4.1pp*	
Significant Items:				
Restructuring & integration	0.2	-		
Underlying Profit	18.0	7.6	137%	139%
Margin	*9.7%*	*5.5%*	*4.2pp*	

Sales

Sales revenue in the Containers segment was US$186.2 million, up 35% (37% at constant currency), primarily reflecting the contribution of Pallecon. Excluding the acquired Pallecon operations, sales revenue growth was 13% (13% at constant currency), reflecting improved organic conditions and new business growth.

The components of Containers' sales revenue were:

- Automotive sales revenue was US$79.1 million, up 8% (8% at constant currency), as organic and new business growth in Europe, North America and Asia offset the ongoing impact of severely deteriorating industry conditions in Australia.
- CHEP Pallecon Solutions sales revenue was US$54.0 million, up 145% (155% at constant currency), reflecting the acquisition of Pallecon and organic and new business growth in North America.
- CHEP Aerospace Solutions sales revenue was US$32.0 million, up 29% (28% at constant currency), reflecting new business growth.
- CHEP Catalyst & Chemical Containers sales revenue was US$21.1 million, up 20% (21% at constant currency), reflecting improved industry activity.

Profit

Operating profit was US$17.8 million, up 134% (137% at constant currency). The operating profit margin was 9.6%, up 4.1 percentage points, reflecting the positive impact of the Pallecon acquisition and stronger sales revenue relative to indirect costs.

FORWARD-LOOKING STATEMENTS

Certain statements made in this release are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Brambles' current expectations, estimates and projections about the industry in which Brambles operates, and beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which 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 view 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 unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.