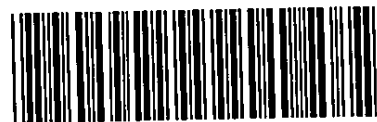


BRAMBLES FINANCE PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
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BRAMBLES FINANCE PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 30 June 2008

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DIRECTORS' REPORT

The directors submit their report and the audited financial statements of Brambles Finance plc ("the Company") for the year ended 30 June 2008.

Principal activity and review of the business

The principal activity of the Company is to provide finance to the Brambles Group.

Throughout the year the Company has continued to borrow externally and make loans to businesses within the Brambles Group. The Company is expected to continue this activity for the foreseeable future.

The Company is a wholly owned subsidiary of the Brambles Group. The Brambles Group is a global group comprising Brambles Limited, a company incorporated in Australia and listed on the Australian Securities Exchange, and all its subsidiary undertakings.

Key performance indicators

The Company is a group treasury company and does not trade. The directors consider that key performance indicators for the Company are neither relevant nor appropriate for an understanding of the development, performance or position of the business of the Company, or Brambles.

Results and dividends

The results for the year are set out in the profit and loss account on page 5.

The Company paid an interim dividend during the year of £1,000,000 (2007: nil). The directors do not recommend the payment of a final dividend (2007: nil).

Financial risk management

The Company is exposed to a variety of financial and market based risks, including exposure to fluctuating interest and exchange rates. Standard financial derivatives are used to manage financial exposures in the normal course of business in accordance with Brambles Group policies. Dealings in financial derivatives are restricted by Group approved delegated authorities. No derivatives are used for speculative purposes. Derivatives are transacted predominantly with relationship banks, with individual credit limits assigned to those banks thereby limiting exposure to credit-related losses in the event of non-performance by a counterparty.

Funding and liquidity

The Company's role within the Group is to provide funds for operations, primarily from external borrowings, principally from bank credit facilities. The credit facilities are generally structured on a committed multi-currency revolving basis with maturities ranging out to November 2010. Borrowings under the facilities are floating rate, unsecured obligations with covenants and undertakings typical for these types of arrangements. To minimise foreign exchange risks borrowings are arranged in the currency of the relevant operating asset to be funded.

Interest rate risk

The Group's interest rate risk policy is designed to reduce volatility in funding costs through prudent selection of hedging instruments. This policy comprises maintaining a mix of fixed and floating rate instruments within a target band over a certain time horizon.

Foreign exchange risk

The Group's foreign exchange exposures are managed from the perspective of protecting shareholder value. Under the Group foreign exchange policy, foreign exchange hedging is mainly confined to hedging transaction exposures where they exceed a certain threshold, and as soon as a defined exposure arises. New exposures may arise with external parties or by way of cross-border inter-company transactions. Forward foreign exchange contracts are primarily used for these purposes.

DIRECTORS' REPORT (continued)

Policy regarding payment of trade creditors

The Company adheres to the Brambles Group policy to abide by terms of payment agreed with suppliers. In many cases, the terms of payment are as stated in the suppliers' own literature. In other cases, the terms of payment are determined by specific written or oral agreement. Brambles does not follow any published code or standard on payment practice.

Directors

The following served as directors:

P Bruford
P Huat
R A Warren

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the Annual General Meeting.

Approved by the Board of directors
Signed on behalf of the Board



R Warren
Director

3 December 2008

Unit 2 Weybridge Business Park
Addlestone Road
Addlestone, Surrey
KT15 2UP

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware. For this purpose, "relevant audit information" comprises the information needed by the Company's auditors in connection with preparing their report. Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the directors' duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of directors
Signed on behalf of the Board



R Warren
Director

3 December 2008

Unit 2 Weybridge Business Park
Addlestone Road
Addlestone, Surrey
KT15 2UP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAMBLES FINANCE PLC

We have audited the financial statements of Brambles Finance plc for the year ended 30 June 2008 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 June 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
12 December 2008

PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2008

	Note	2008 £	2007 £
Administrative expenses		(129,984)	(128,224)
OPERATING LOSS	2	(129,984)	(128,224)
Interest payable and similar charges	3	(32,798,987)	(32,420,044)
Interest receivable and similar income	3	35,534,556	33,709,321
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,605,585	1,161,053
Tax on profit on ordinary activities	4	(763,521)	(348,316)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,842,064	812,737
Dividends paid	5	(1,000,000)	-
RETAINED PROFIT FOR THE YEAR		842,064	812,737
RESERVES BROUGHT FORWARD		829,429	16,692
RESERVES CARRIED FORWARD		1,671,493	829,429

The notes on pages 7 to 10 are an integral part of these financial statements.

All amounts in 2008 and 2007 derive from continuing operations. There were no recognised gains or losses in the year other than the result shown above.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

BALANCE SHEET
As at 30 June 2008

	Note	2008 £	2007 £
CURRENT ASSETS			
Amounts due from fellow group undertakings (of which £572,295,854 (2007: £366,078,495) falls due after more than one year)		572,295,854	366,078,495
Other debtors		-	837,966
Prepayments		300,222	548,254
		572,596,076	367,464,715
CREDITORS: amounts falling due within one year			
Bank overdraft		(11,284,842)	(23,750,262)
Creditors	6	(481,586,185)	(303,858,263)
		(492,871,027)	(327,608,525)
NET CURRENT ASSETS		79,725,049	39,856,190
CREDITORS: amounts falling due after more than one year			
Borrowings	6	(78,003,556)	(38,976,761)
NET ASSETS		1,721,493	879,429
CAPITAL AND RESERVES			
Called up share capital	7	50,000	50,000
Profit and loss account		1,671,493	829,429
EQUITY SHAREHOLDERS' FUNDS	8	1,721,493	879,429

The financial statements were approved by the Board of directors on 3 December 2008.

Signed on behalf of the Board of directors



P Bruford
Director

The notes on pages 7 to 10 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2008

1 Accounting policies

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and the Companies Act 1985. The principal accounting policies which have been adopted are set out below.

a) Finance income and expenditure

Finance income is recognised as income in the year in which it is earned. Finance expenditure is recognised as an expense in the year in which it is incurred.

b) Financial Instruments

Derivative instruments used by the Company, which are used solely for hedging purposes (ie to offset foreign exchange and interest rate risks), comprise interest rate swaps, caps, collars, forward rate agreements and forward foreign exchange contracts. Such derivative instruments are used to alter the risk profile of the Company's existing underlying exposure.

As such instruments are used solely for hedging purposes, the Company defers the instrument's impact on profit until it recognises the underlying hedged item in the profit and loss account. Interest differentials under interest rate swaps, caps and collars are recognised by adjustment of the underlying interest receivable or payable over the term of the agreement and as such are accrued to the profit and loss account on a time apportioned basis. Currency swap agreements and forward foreign exchange contracts are valued at closing exchange rates. Resulting gains and losses are offset against foreign exchange gains or losses on the related borrowings or, where the instrument is used to hedge a committed future transaction, are deferred until the transaction occurs and shown within debtors or creditors as appropriate.

c) Foreign currency translation

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate in operation on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rate. All revaluation differences and realised foreign exchange differences are taken to profit and loss.

d) Distributions

Dividends to the Company's shareholders are recognised as liabilities in the period in which the dividends are paid, in the case of interim dividends, or approved by the Company's shareholders, in the case of final dividends.

e) Deferred taxation

In accordance with Financial Reporting Standard (FRS) 19, 'Deferred Taxation', deferred tax is fully provided in respect of timing differences that have originated but not reversed by the balance sheet date. These are based on average tax rates that are expected to apply at the time of the reversal, which will be the rates that have either been enacted, or substantially enacted, by the balance sheet date. No deferred tax is provided on permanent timing differences. Deferred tax assets are recognised to the extent that they are regarded as more likely than not to be recoverable. Deferred tax balances are not discounted.

f) Cash flow statement

The Company has taken advantage of the exemption permitted by FRS 1 (revised) 'Cash Flow Statements' not to produce a cash flow statement on the basis that the ultimate parent company, having a 100% controlling influence, produces consolidated financial statements which are available to the public.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

2 Profit and loss account

The audit fees for the Company have been borne by Brambles Holdings (UK) Limited, a fellow group undertaking, during the current and preceding year.

The Company had no employees during the year (2007: nil). All administrative duties are performed by employees of Brambles Holdings (UK) Limited and Brambles Limited (an Australian company), at no cost to the Company.

None of the directors received any emoluments or any other benefits as described in Schedule 6 to the Companies Act 1985 from the Company during the year (2007: nil). All of the directors receive remuneration from Brambles Holdings (UK) Limited as employees of that company and, due to the non-executive nature of their services, it is not appropriate to make an apportionment of their emoluments in respect of the Company.

3 Net interest (payable)/receivable and similar (charges)/income	2008	2007
	£	£
Interest paid or payable on:		
- Bank loans	(5,921,031)	(9,658,832)
- Loans from fellow group undertakings	(26,851,256)	(22,767,952)
- Foreign exchange(loss)/gain	(26,700)	6,740
	(32,798,987)	(32,420,044)
Interest received or receivable on:		
- External deposits	559,570	939,096
- Loans to fellow group undertakings	34,974,986	32,770,225
	35,534,556	33,709,321
	2,735,569	1,289,277

4 Tax on profit on ordinary activities	2008	2007
	£	£
Current tax charge on income for the year at 29.5% (2007: 30%)	768,648	348,316
Adjustment in respect of prior years	(5,127)	-
	763,521	348,316

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2008

4 Tax on profit on ordinary activities (continued)

The standard rate of taxation for the year, based on the UK standard rate of corporation tax, is 29.5% (2007: 30%). The actual taxation charge for the current year differs from the standard rate for the reasons set out below:

	2008 £	2007 £
Profit on ordinary activities before taxation	2,605,585	1,161,053
Taxation on profit on ordinary activities at 29.5% (2007:30%)	768,648	348,316
Effect of:		
- adjustment in respect of prior years	(5,127)	-
Total current taxation credit	763,521	348,316

5 Dividends	2008 £	2007 £
Dividends paid on equity shares		
- interim £20.00 (2007: nil) per £1 share	1,000,000	-

6 Creditors	2008 £	2007 £
Amounts falling due within one year		
Amounts owed to fellow group undertakings	480,358,083	303,420,610
Group relief payable	1,073,852	355,470
Accruals	154,250	82,183
	481,586,185	303,858,263
Amounts falling due after more than one year		
Bank loans	78,003,556	38,976,761
The maturity profile of the financial liabilities is:		
- between two and five years	78,003,556	38,976,761

The financial liabilities comprise non-instalment debt. Debt comprises bank debt on an unsecured basis. Floating rate bank loans bear interest at commercial margins above the relevant inter-bank rate. The weighted average interest rate on floating rate bank loans during the year was 5.56% (2007: 4.53%).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

7 Called up share capital	2008	2007
	£	£
<u>Authorised</u>		
10,000,000 (2007: 10,000,000) ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
<u>Allotted and fully paid</u>		
50,000 (2007: 50,000) ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

8 Reconciliation of movement in shareholders' funds	2008	2007
	£	£
Profit for financial year	1,842,064	812,737
Dividends paid	(1,000,000)	-
Net increase in shareholders' funds	842,064	812,737
Opening shareholders' funds	879,429	66,692
Closing shareholders' funds	<u>1,721,493</u>	<u>879,429</u>

9 Contingent liabilities

The Company, in conjunction with certain companies within the Brambles group in the United Kingdom, is party to a composite guarantee structure with a clearing bank for set-off arrangements to a net maximum of £10,000,000 (2007: £10,000,000).

10 Related party transactions

In accordance with FRS 8 'Related Party Disclosures', transactions with other group undertakings of Brambles Limited have not been disclosed in these financial statements as the Company is a wholly owned subsidiary of a parent publishing consolidated financial statements.

11 Ultimate parent undertaking

The parent undertaking of the largest group for which group financial statements are prepared and ultimate controlling party is Brambles Limited, which is incorporated in Australia.

The parent undertaking of the smallest group for which group financial statements are prepared is Brambles Holdings Unlimited, which is incorporated in England and Wales.

The Company's immediate parent undertaking is Brambles U.K. Limited, which is incorporated in England and Wales. Copies of all group financial statements are available from Unit 2, Weybridge Business Park, Addlestone Road, Addlestone, Surrey, KT15 2UP.