

BRAMBLES FINANCE PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
2 APRIL 2011

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BRAMBLES FINANCE PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the period ended 2 April 2011

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DIRECTORS' REPORT

The directors submit their report and the audited financial statements of Brambles Finance plc ("the Company") for the period ended 2 April 2011

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.

In order to enhance the efficiency of the Company's finance activity, the following changes have been made

- on 14 February 2011, ownership of the Company was transferred from Brambles U K Limited ("BUK") to Brambles Holdings Unlimited,
- on 2 April 2011, all intercompany loan relationships denominated in pounds sterling were transferred from the Company to BUK,
- on 8 April 2011, the Company allotted 500 ordinary shares of £1 each at par, and immediately converted its entire allotted share capital of 50,500 ordinary shares of £1 each into 50,500 ordinary shares of €1 1323746 each, and
- on 7 May 2011, assumed all outstanding intercompany loan relationships denominated in euro from various fellow group undertakings

In light of these changes, the directors concluded that, with effect from 3 April 2011, the Company's functional and reporting currency should change from pounds sterling to euro. On 22 March 2011, the Company changed its accounting reference date from 30 June to 2 April in order to enable a set of financial statements to be drawn up in pounds sterling. On 20 April 2011, the Company changed its accounting reference date from 2 April back to 30 June, and financial statements for the period 3 April to 30 June 2011 will be presented in euro.

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 key performance indicators for the Company to be 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 period are set out in the profit and loss account on page 5.

The Company paid an interim dividend of £18,413,000 during the period (2010 nil). The directors do not recommend the payment of a final dividend (2010 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 February 2014. 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.

DIRECTORS' REPORT (continued)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.

Other risks and uncertainties

The principal risks and uncertainties facing the Company and the Brambles Group are described in the Brambles Limited Annual Report 2011 page 13.

Post balance sheet events

On 20 April 2011, the Company issued a €500 million Eurobond. The Eurobond has a seven year term with a maturity date of 20 April 2018, a fixed coupon of 4.625%, and is listed on the Singapore Stock Exchange. Proceeds of the Eurobond have been used to repay external bank debt.

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 throughout the period:

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 A Warren
Director

28 September 2011

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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 and each director has taken all the steps that he ought to have taken 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 A Warren
Director

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

 September 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAMBLES FINANCE PLC

We have audited the financial statements of Brambles Finance plc for the period ended 2 April 2011 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 2 April 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



K Turner (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

28 September 2011

PROFIT AND LOSS ACCOUNT
For the period ended 2 April 2011

	Note	9 months to 2 April 2011 £	12 months to 30 June 2010 £
Administrative expenses		(130,717)	(130,682)
OPERATING LOSS	2	(130,717)	(130,682)
Interest payable and similar charges	3	(9,304,003)	(17,773,636)
Interest receivable and similar income	3	12,638,566	31,231,634
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,203,846	13,327,316
Tax on profit on ordinary activities	4	(897,077)	(3,731,648)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,306,769	9,595,668
Dividends paid	5	(18,413,000)	-
(LOSS)/PROFIT FOR THE PERIOD	8	(16,106,231)	9,595,668
RESERVES BROUGHT FORWARD		16,332,001	6,736,333
RESERVES CARRIED FORWARD		225,770	16,332,001

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

All amounts in 2011 and 2010 derive from continuing operations. There were no recognised gains or losses in the period other than the result shown above.

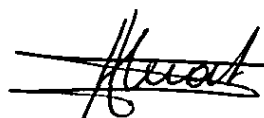
There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalents.

BALANCE SHEET
As at 2 April 2011

	Note	2 April 2011 £	30 June 2010 £
CURRENT ASSETS			
Amounts due from fellow group undertakings (of which £761,219,946 (2010 £249,644,025) falls due after more than one year)		761,219,946	249,644,025
Prepayments		682,754	3,686,538
		<u>761,902,700</u>	<u>253,330,563</u>
CREDITORS: amounts falling due within one year			
Bank overdraft		-	(1,029,266)
Creditors	6	(474,626,294)	(192,165,600)
		<u>(474,626,294)</u>	<u>(193,194,866)</u>
NET CURRENT ASSETS		287,276,406	60,135,697
CREDITORS amounts falling due after more than one year			
Borrowings	6	(287,000,636)	(43,753,696)
NET ASSETS		<u>275,770</u>	<u>16,382,001</u>
CAPITAL AND RESERVES			
Called up share capital	7	50,000	50,000
Profit and loss account		225,770	16,332,001
TOTAL SHAREHOLDERS' FUNDS	8	<u>275,770</u>	<u>16,382,001</u>

The financial statements were approved by the Board of directors on 28 September 2011

Signed on behalf of the Board of directors


P. Huat
Director

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

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 2 April 2011**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 2006. 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.

The Company has derivative financial instruments with fair values at the end of the period of £46,761 (2010 - £55,279,700). At 2 April 2011, foreign exchange swaps with external banks are mirrored by back-to-back foreign exchange swaps with fellow group undertakings and net to zero, whereas at 30 June 2010 foreign exchange swaps with external banks were used as hedges against certain intercompany loans denominated in foreign currencies.

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 1996) '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 (continued)
For the period ended 2 April 2011

2 Operating loss

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 period (2010 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 5 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 from the Company during the period (2010 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	9 months to 2 April 2011 £	12 months to 30 June 2010 £
Interest payable and similar charges		
- Bank loans	(8,587,464)	(15,542,293)
- Other external interest	(1,088)	-
- Loans from fellow group undertakings	(680,712)	(2,197,633)
- Foreign exchange loss	(34,739)	(33,710)
	(9,304,003)	(17,773,636)
Interest receivable and similar income		
- External deposits	112,992	155,811
- Other external interest	-	9,430
- Loans to fellow group undertakings	12,525,574	31,066,393
	12,638,566	31,231,634
	3,334,563	13,457,998

4 Tax on profit on ordinary activities	9 months to 2 April 2011 £	12 months to 30 June 2010 £
Current tax charge on income for the period at 28% (2010 28%)	897,077	3,731,648

The standard rate of taxation for the period, based on the UK standard rate of corporation tax, is 28% (2010 28%) There is no difference between the actual taxation charge for the current period and the standard rate of corporation tax

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ended 2 April 2011

5 Dividends	9 months to 2 April 2011 £	12 months to 30 June 2010 £
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Dividends paid on equity shares- interim of £368 26 (2010 nil) per £1 share to Brambles U K Limited

18,413,000

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6 Creditors	2 April 2011 £	30 June 2010 £
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Amounts falling due within one year

Amounts owed to fellow group undertakings	3,506,225	185,072,129
Bank loans	469,802,084	-
Group relief payable	-	5,545,437
Corporation tax payable	43,154	52,241
Accruals	1,274,831	1,495,793
	474,626,294	192,165,600

Amounts falling due after more than one year

Bank loans	287,000,636	43,753,696
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The maturity profile of the financial liabilities is

- between one and two years	81,011,480	-
- between two and five years	205,989,156	43,753,696
	287,000,636	43,753,696

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 period was 2.96% (2010 2.39%).

The Company is party to the Brambles Group's global committed borrowing facilities, details of which are disclosed in Note 24 of the 2011 Annual Report of Brambles Limited. Changes to the Group facilities between 30 June 2010 and 2 April 2011 were

- (a) in February 2011, a new credit facility for €75m was signed to replace one for €100m maturing in November 2011. This also extended the credit facility to February 2014,
- (b) in December 2010, a US\$50m facility maturing in November 2011 was replaced with a €35m facility maturing in June 2012. Additionally, a US\$100m facility maturing in July 2012 was replaced with a €75m facility maturing in July 2012, and
- (c) a €200m credit facility which matured in November 2010 was not renewed.

The expiry dates of committed facilities range out to calendar year 2014. The Company's participation in these facilities ensure that it is able to meet its current liabilities as they fall due.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ended 2 April 2011

7 Called up share capital	2 April 2011	30 June 2010
	£	£
<u>Allotted and fully paid</u>		
50,000 (2010 50,000) ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

8 Reconciliation of movement in shareholders' funds	2 April 2011	30 June 2010
	£	£
Profit for financial period	2,306,769	9,595,668
Dividends paid	(18,413,000)	-
Net (decrease)/increase in shareholders' funds	(16,106,231)	9,595,668
Opening shareholders' funds	16,382,001	6,786,333
Closing shareholders' funds	<u>275,770</u>	<u>16,382,001</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 (2010 £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. There are no other related party transactions.

11 Post balance sheet events

On 20 April 2011, the Company issued a €500 million Eurobond. The Eurobond has a seven year term with a maturity date of 20 April 2018, a fixed coupon of 4.625%, and is listed on the Singapore Stock Exchange. Proceeds of the Eurobond have been used to repay external bank debt.

12 Ultimate parent undertaking

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

The Company's immediate parent undertaking was Brambles U.K. Limited, a company incorporated in England and Wales, until 14 February 2011, and from that date changed to Brambles Holdings Unlimited, 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.