Brambles

Understanding CHEP

28 January 2009

Agenda

▪ Introduction	Michael Roberts
▪ Pooling models	Gino Sorrentino
▪ Financials	Patrick Gibson
▪ Illustration - Pallets and capital expenditure guide	Liz Doherty

Company profile

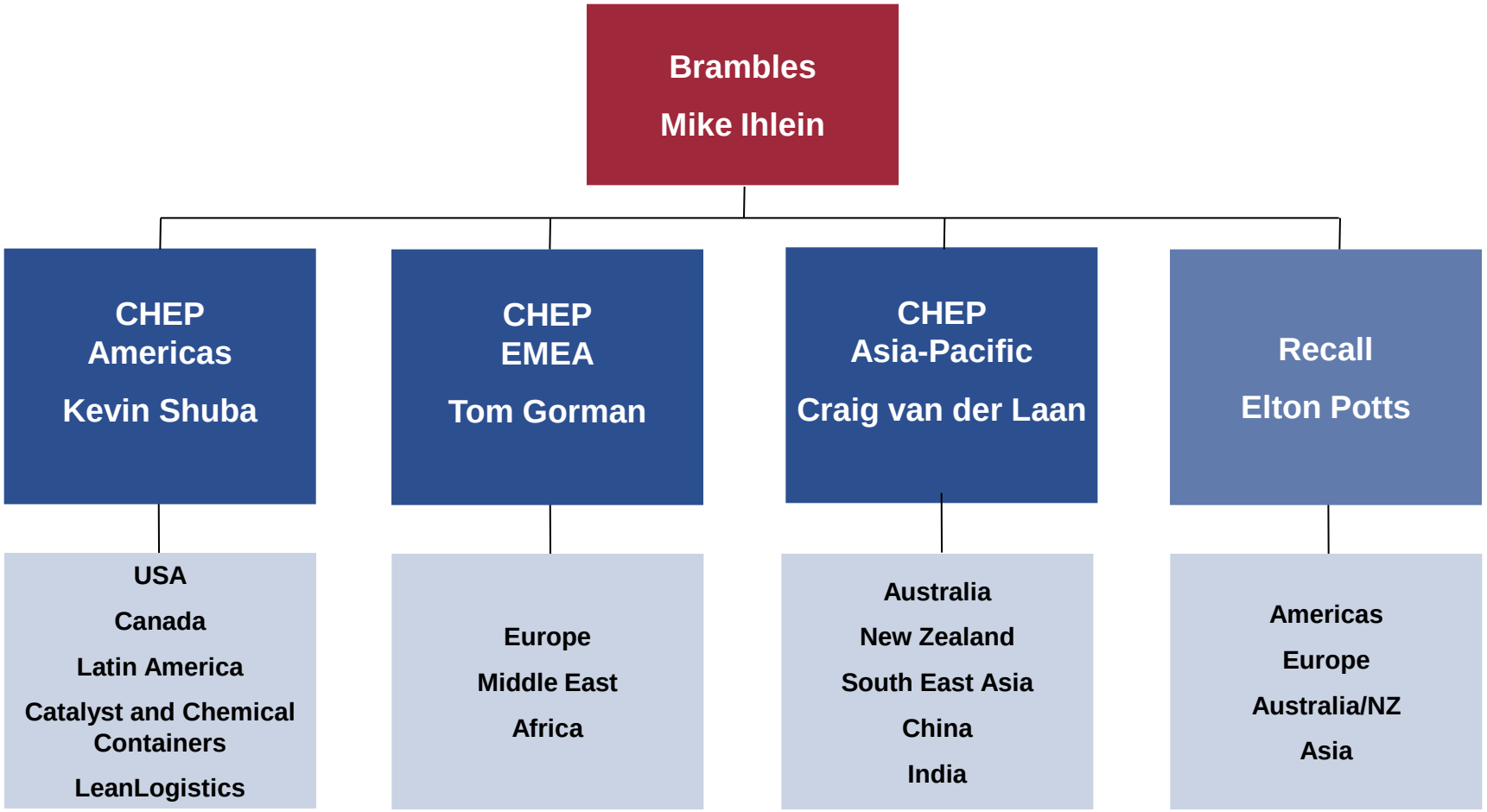
- Leading global provider of supply chain and information management solutions
- The Group's businesses are CHEP and Recall
- Operates in 46 countries
- Over 12,000 employees
- Primary listing on the Australian Securities Exchange and a secondary listing on the London Stock Exchange
- Total assets of US$5.6 billion as at 30 June 2008
- Headquartered in Sydney, Australia

Two businesses

- CHEP is the leader in pallet and container pooling services
- Partners with customers to develop pooling solutions that ensure reduced product damage, offer enhanced delivery efficiencies, eliminate waste and cut supply chain costs
- Customers primarily in FMCG, produce, meat, beverages, raw materials, home improvement and automotive industries
- Handling the world's most important products. Everyday.

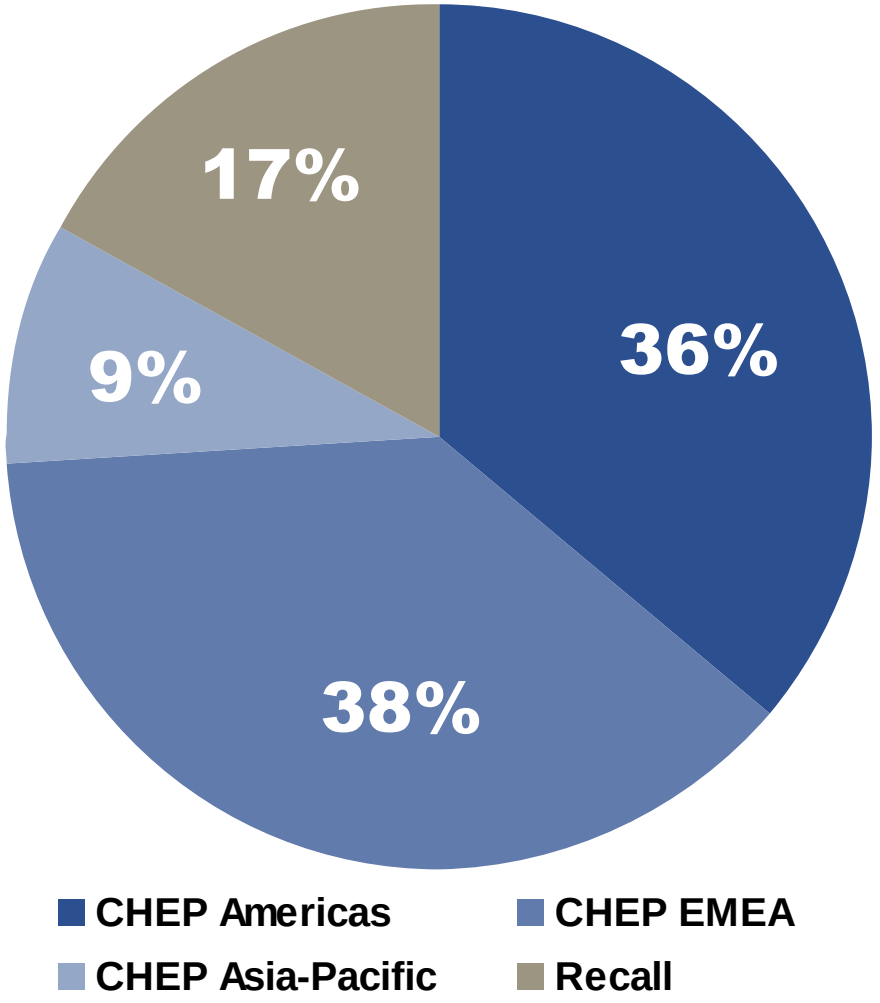
- Recall is a leader in the management of information throughout its life cycle
- One stop, end to end, information management solution
- Provides secure storage, retrieval and destruction of digital and physical information
- Focus on transaction intensive market segment such as banking and finance, insurance, legal, health care, retailing and government

Brambles business unit structure



2008 Brambles Sales Revenue – by business unit

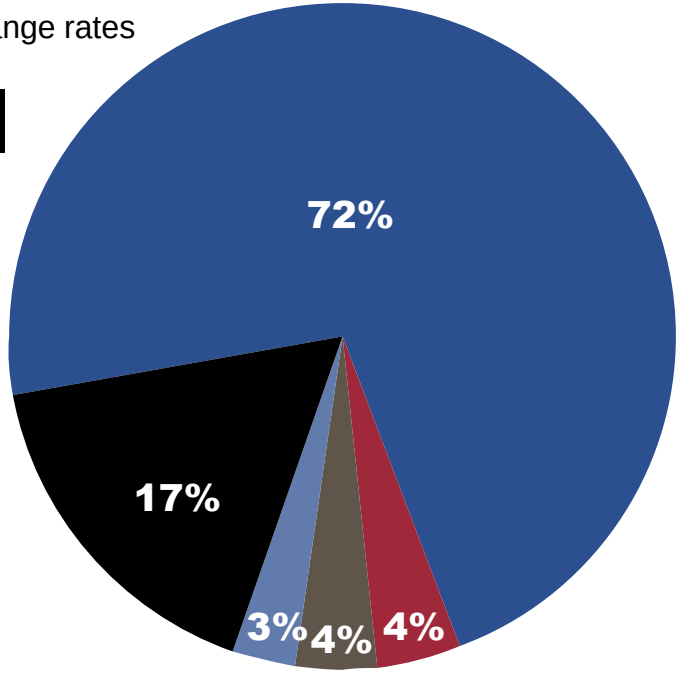
Business	Sales (US$M)
CHEP	3,610
Recall	748
TOTAL	**4,358**



*all numbers are at actual exchange rates

2008 Brambles Sales Revenue – by service

*all numbers are at actual exchange rates



Recall

Revenue US$748M

Cartons 82M

Pallet Pooling

Revenue US$3,157M

Pallets 251M

Intermediate Bulk Containers (IBC) & Catalyst and Chemical Containers (CCC)

Revenue US$94M

Containers 1M

Reusable Plastic Containers (RPC)

Revenue US$169M

Containers 39M

Automotive Containers

Revenue US$190M

Containers 11M

CHEP®

Focus on pallets

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White wood alternative

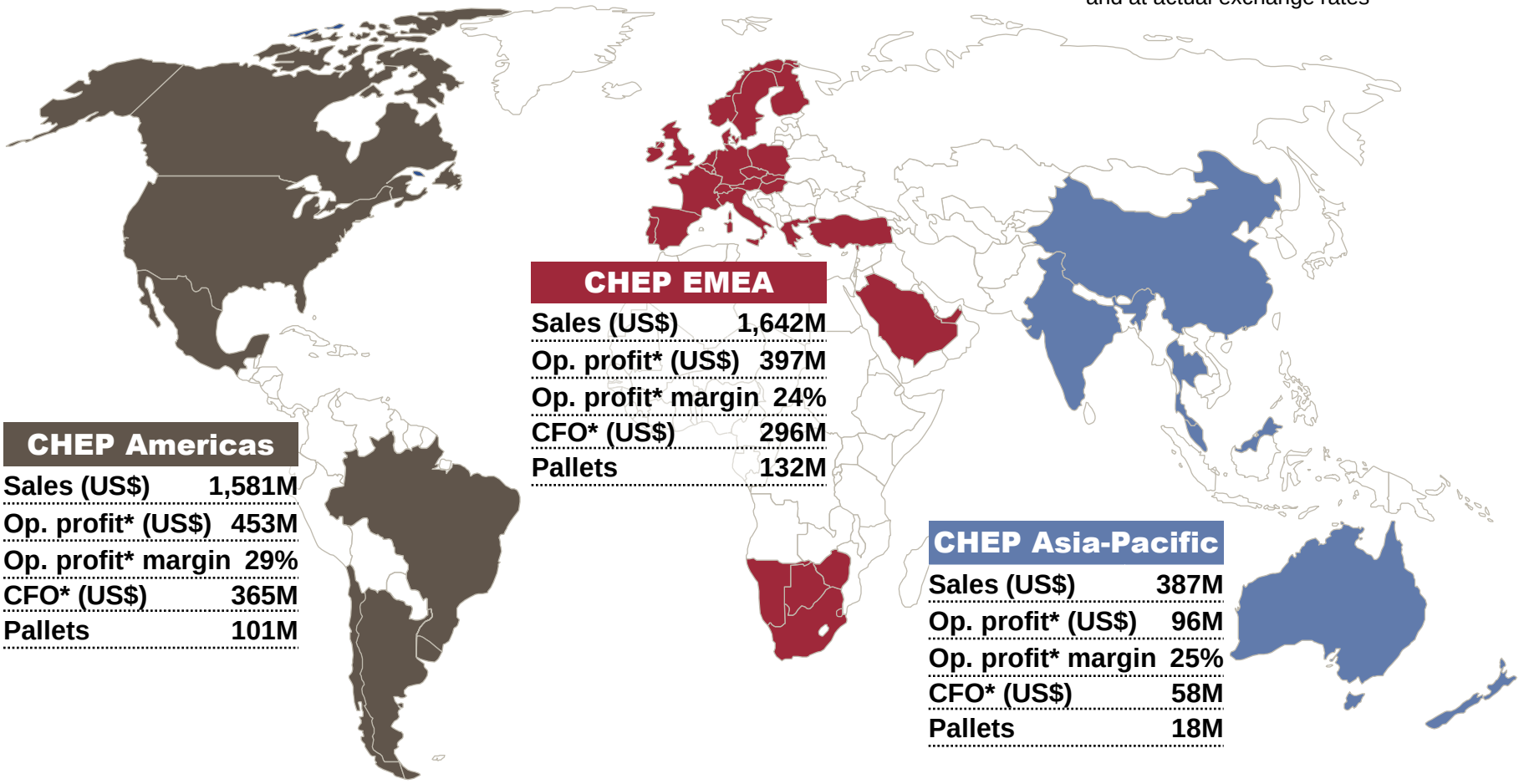
- White wood - industry term for non-proprietary unpainted pallets offered by non-pooling companies
- Ownership is transferred to each business entity as the pallet moves through the supply chain
- Typically of lower quality than a pooled pallet
  - not repaired regularly to a standard quality specification
  - often lightweight
  - may not meet safety requirements of racking
  - not always suitable in automated environments

Customer value proposition

- **Consistent quality pallets and containers**
- **Availability**
- **Reduced product damage**
- **Eliminate pallet purchases, exchange and repair**
- **Reduced transportation and handling**
- **Competitive pricing**
- **Improved employee and customer safety**
- **Environmental sustainability**

Global presence by region

All numbers are for the year ended 30 June 2008 and at actual exchange rates



CHEP Americas

Sales (US$)	1,581M
Op. profit* (US$)	453M
Op. profit* margin	29%
CFO* (US$)	365M
Pallets	101M

CHEP EMEA

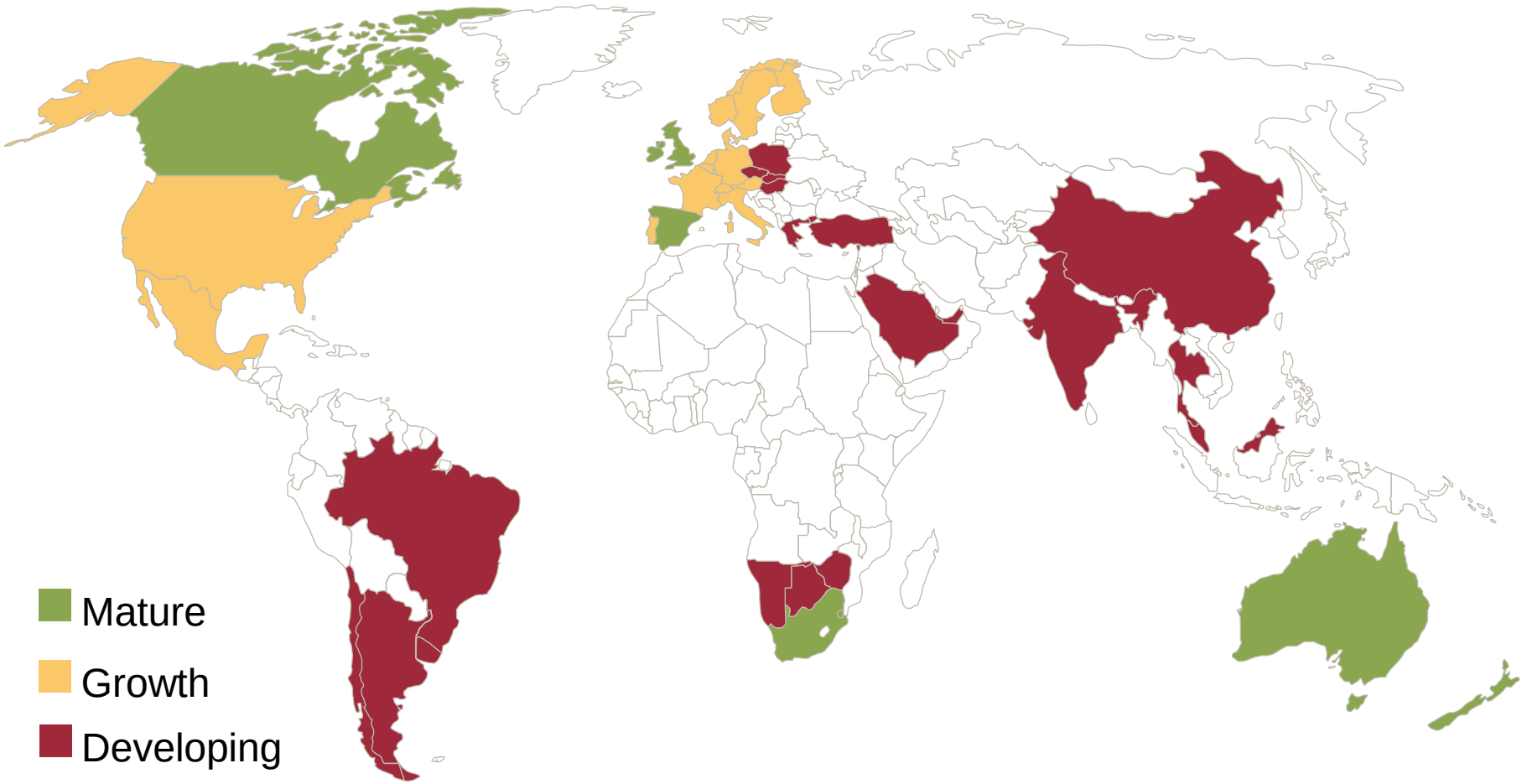
Sales (US$)	1,642M
Op. profit* (US$)	397M
Op. profit* margin	24%
CFO* (US$)	296M
Pallets	132M

CHEP Asia-Pacific

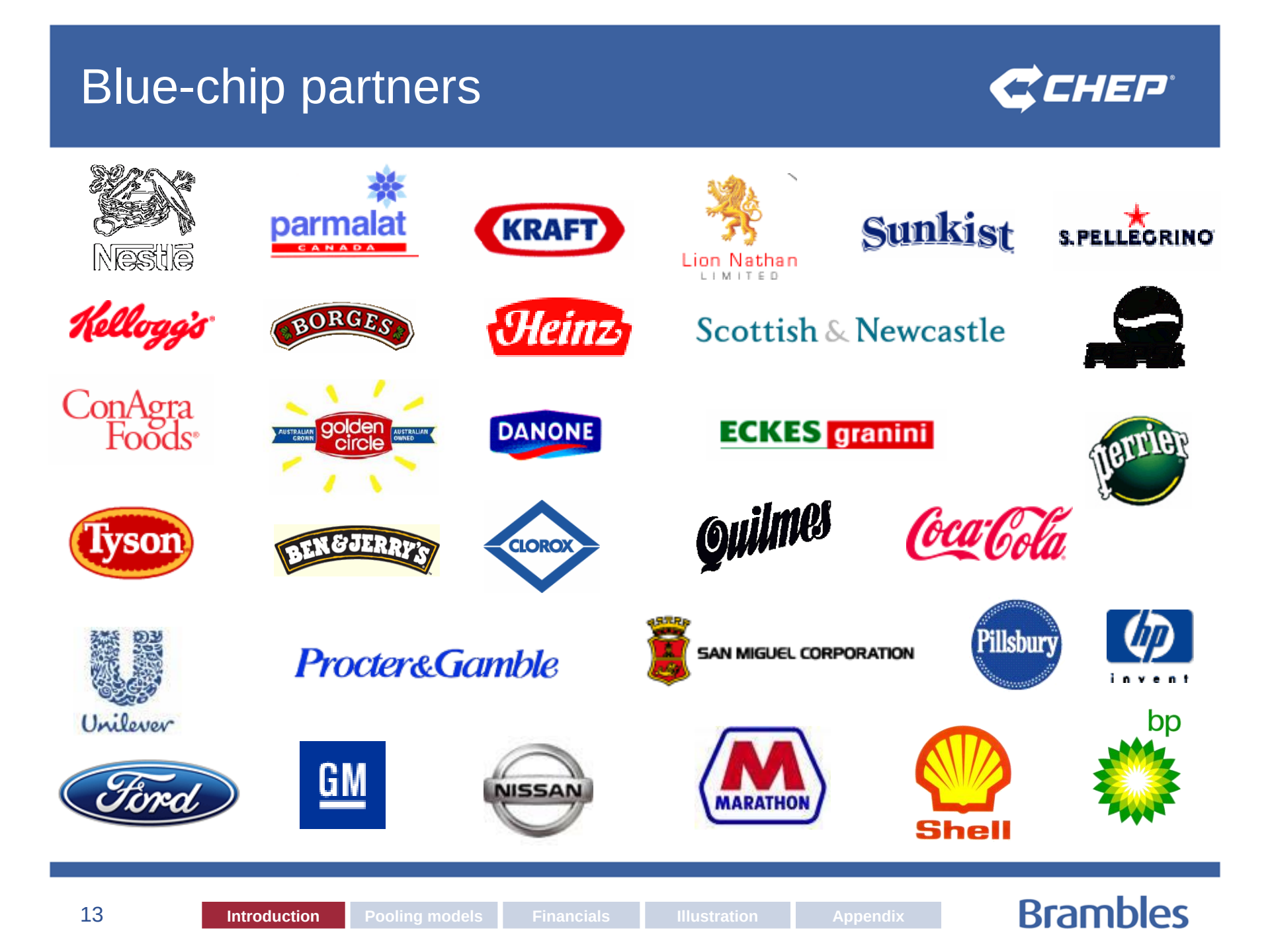
Sales (US$)	387M
Op. profit* (US$)	96M
Op. profit* margin	25%
CFO* (US$)	58M
Pallets	18M

*Op. profit refers to comparable operating profit
CFO refers to cash flow from operations

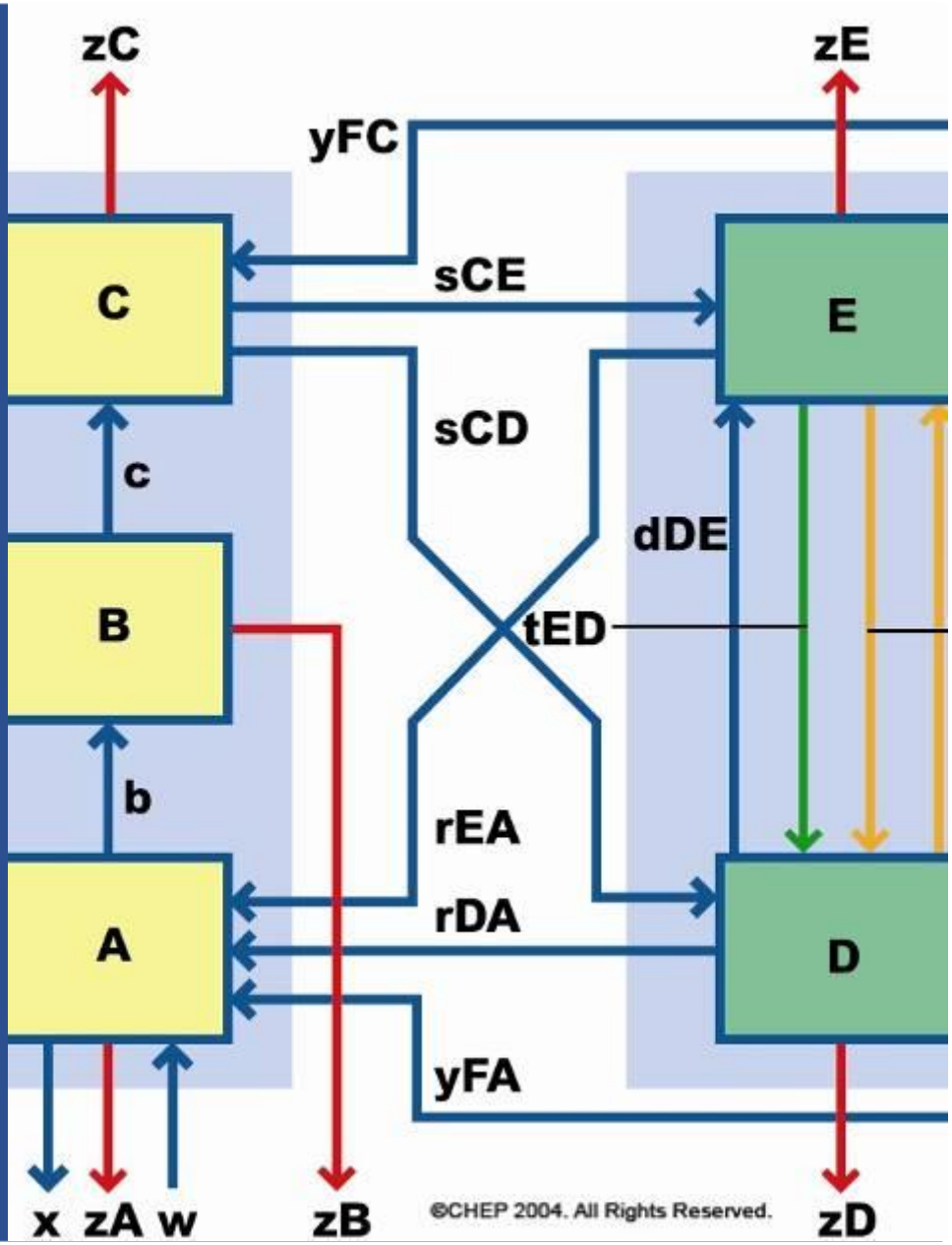
Growth opportunities



Blue-chip partners



Pallet pooling models



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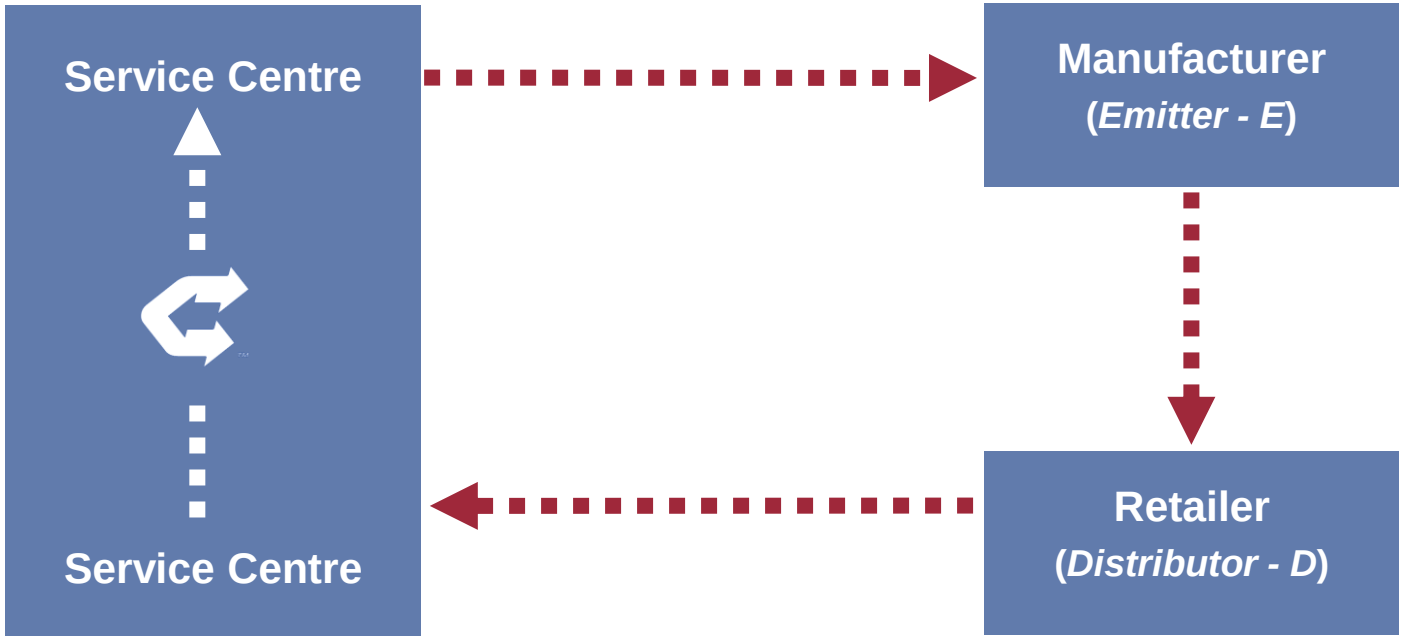
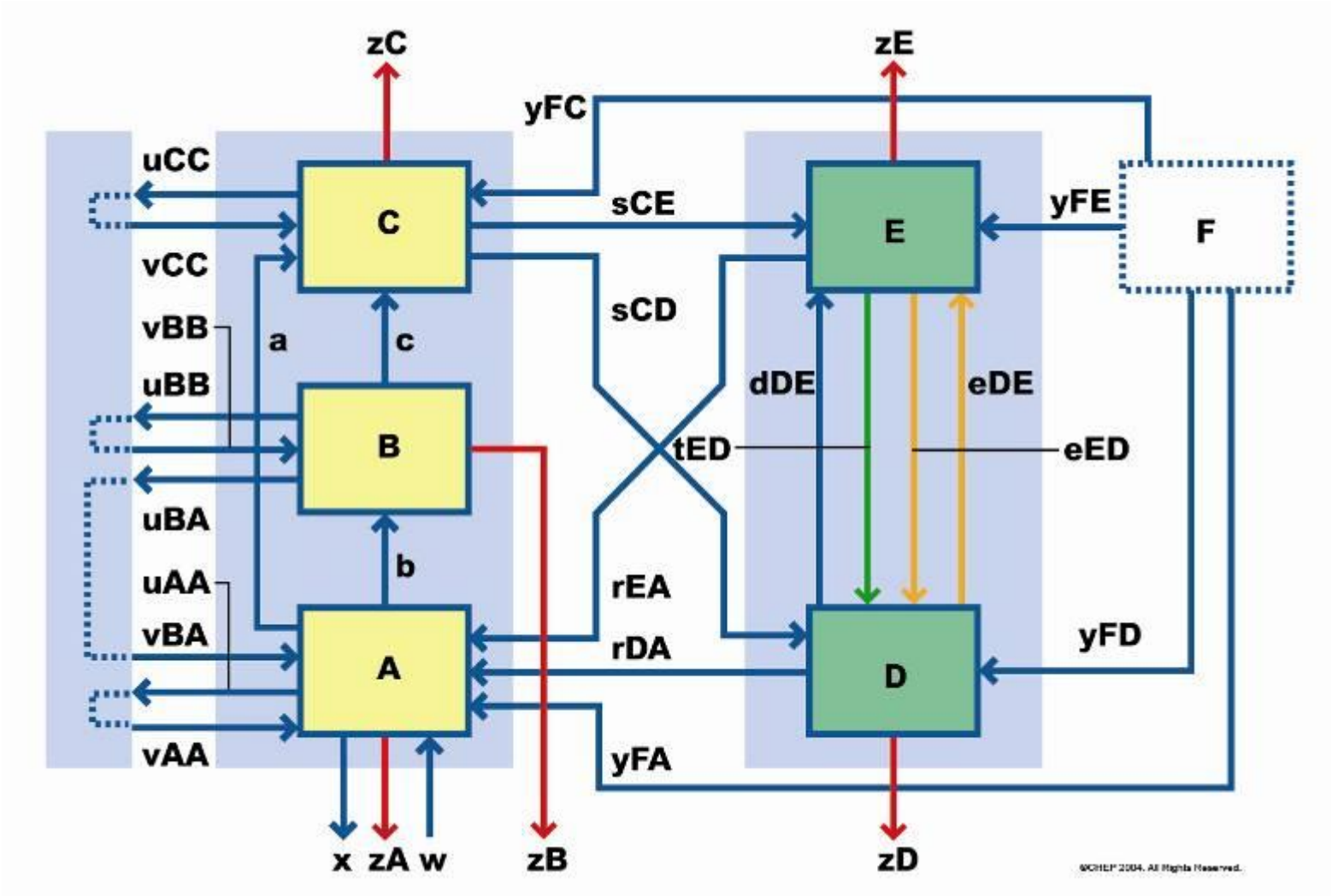
How pallet pooling works



Service Centre	Manufacturer / **E**mitter	Retailer / **D**istributor	Service Centre
1. CHEP issues ready-for-use pallets to manufacturers and growers for use and movement through the supply chain.	2. Upon receipt of CHEP equipment, manufacturers and growers load their products and ship them through the supply chain using a CHEP pallet.	3. At the end of the supply chain, the receiving retailer or distributor off-loads the goods and returns the CHEP pallets empty to the nearest CHEP service centre or TPM location or CHEP arranges collections.	4. CHEP inspects and repairs all returned pallets, if necessary, to ensure they meet our quality standards. These pallets are then made ready-for-use and the cycle starts again.

Sophisticated supply chain flows – network optimisation



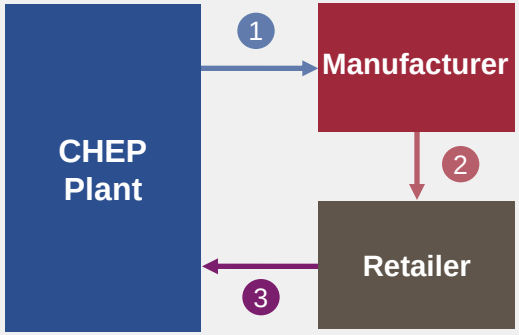
Pallet pooling models

- One way trip model
- Exchange model
- Transfer hire model
- Physical flows
- Pricing architecture
- Revenue streams

Pallet pooling model physical flows

One Way Trip

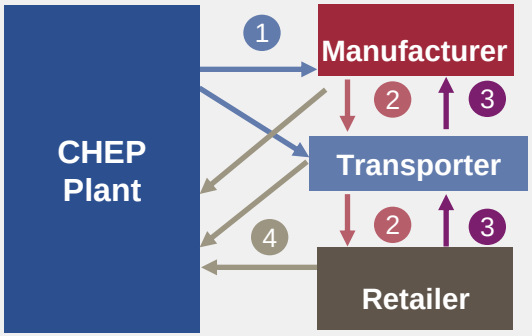
(e.g. USA)



1. Pallet issued and delivered by CHEP to manufacturer
2. Goods shipped on pallet
3. Pallets returned from retailer to the plant for inspection and repair if necessary

Exchange

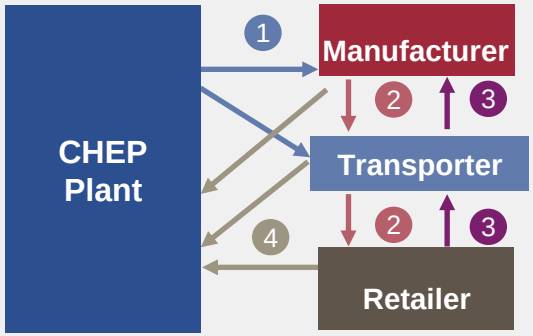
(e.g. UK)



1. Pallet issued by CHEP to manufacturer or intermediary
2. Goods shipped on pallet
3. Pallet under load exchanged for an empty pallet at point of delivery
4. Surplus or damaged pallets returned to the plant for inspection and repair if necessary

Transfer Hire

(e.g. Australia)



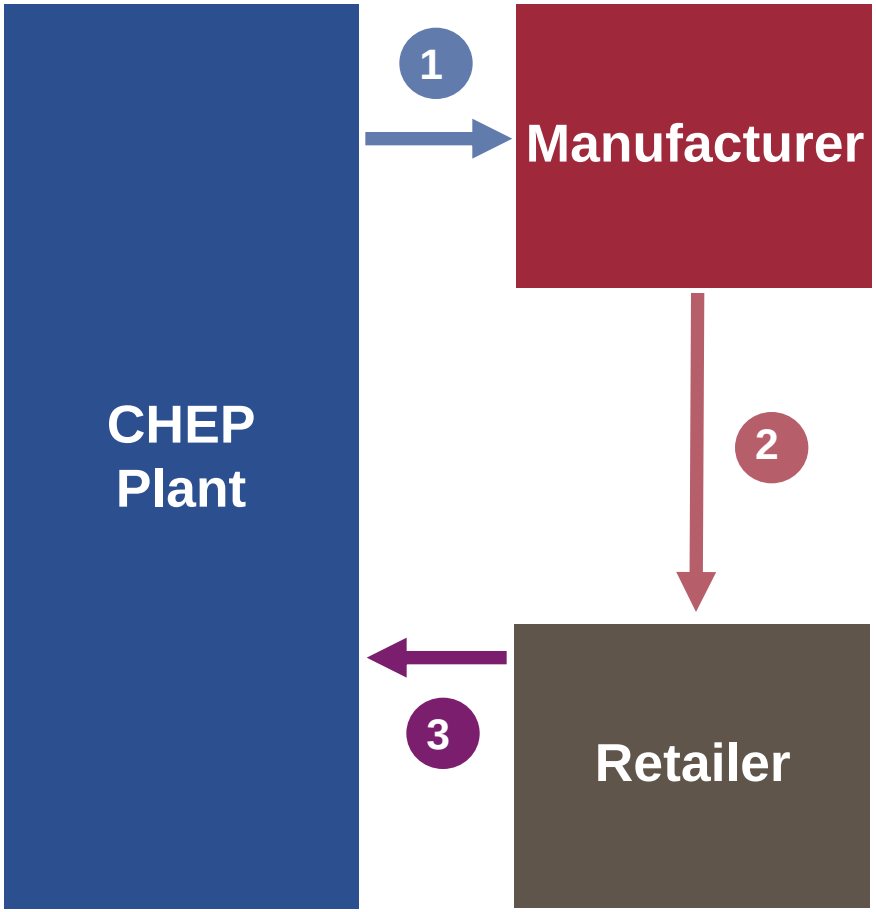
1. Pallet issued by CHEP to manufacturer or intermediary
2. Goods shipped on pallet
3. Pallet transferred between accounts of manufacturers, retailers & transporters as goods are delivered and empty pallets are transferred for re-use
4. Surplus or damaged pallets returned to the plant for inspection and repair if necessary

Pallet pricing architecture

		One Way	Exchange	Transfer Hire
ISSUE FEE	Fee for issue of a quality assured pallet from a CHEP service centre	✓	✓	✓
DAILY HIRE FEE	Fee for each day that a customer uses or remains responsible for a pallet	✓	✓	✓
TRANSFER FEE	Fee for use as pallet transfers into a retail channel	✓	✓	✗
MOVEMENT FEE	Fee levied per movement under load prior to return to CHEP	✗	✓	✗
TRANSPORT FEE	Pallet delivery and/or collection fees	✓	✓	✓
ADMINISTRATIVE FEE	Fees for lost equipment and/or late declaration	✓	✓	✓

* Note: The above illustrates the principal pricing structure across CHEP. It does not explain all fees.

One Way Trip
(e.g. USA)

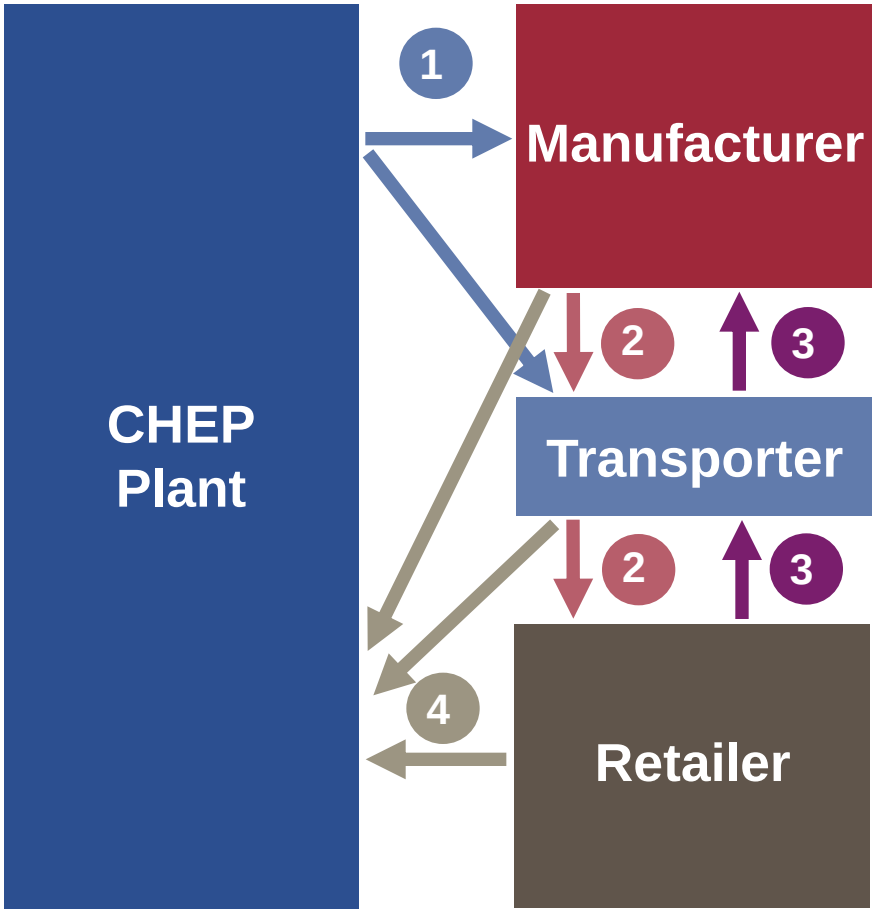


- Issue fees are the prime source of revenue
- Issue volume is a proxy for revenue
- Customer taking the issue pays

Main revenue stream

Issue Fee – for issue of a pallet from a CHEP service centre

Exchange
(e.g. UK)

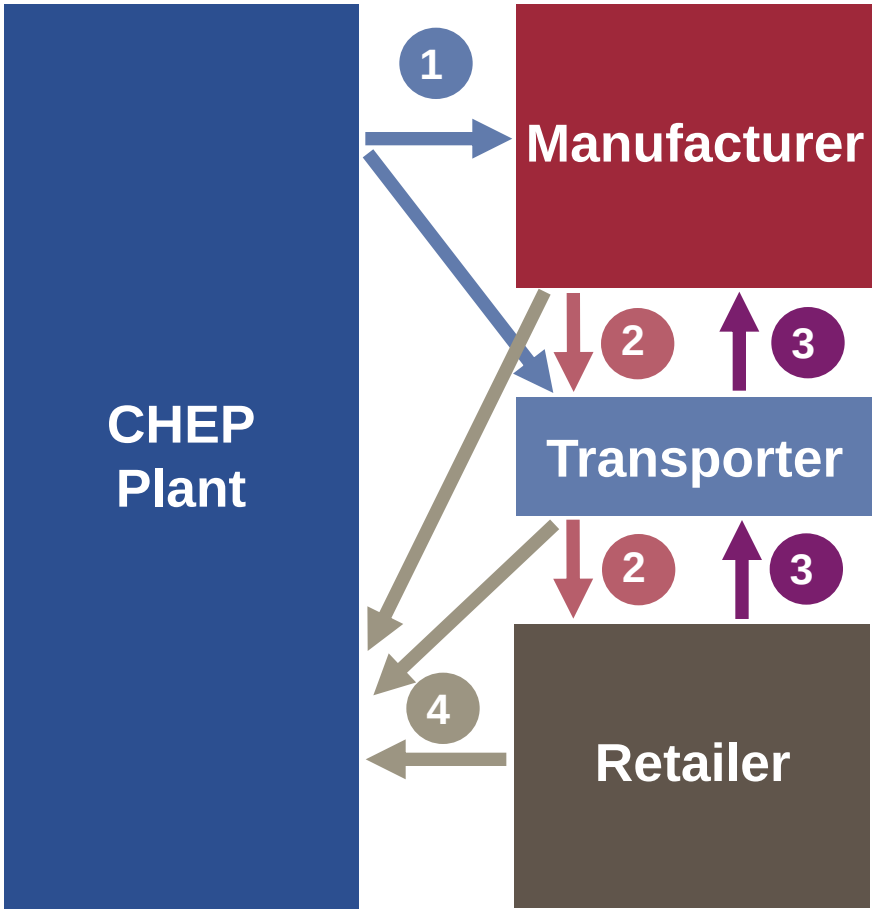


- Movement fees are the prime sources of revenue
- Number of movements and average volume of pallets in the field are proxies for revenue
- Primarily manufacturers and transporters pay
- "Managed Recovery" variation

Main revenue stream

Movement Fee – levied per movement under load

Transfer Hire
(e.g. Australia)

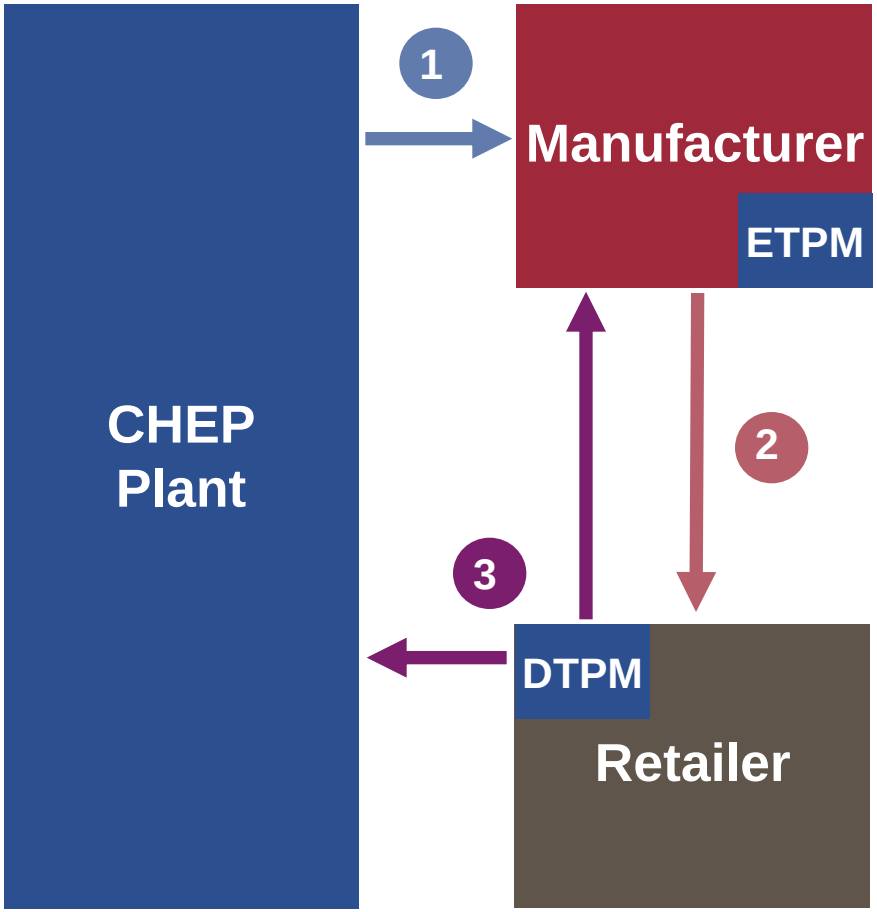


- Daily fees are the prime source of revenue
- Average volume of pallets in the field is a proxy for revenue
- All market participants pay

Main revenue stream

Daily Fee – for each day a pallet is used by a customer

Total Pallet Management (TPM)



- Optimising transport activity and equipment moves within the network
- Possibility to reduce empty hauls between specific Manufacturer and Retailer
- Improved communication and coordination between Customer and CHEP
- Promotes on time delivery and supply
- Reduction in daily inventory carried
- Minimises administration associated with pallets

Financials

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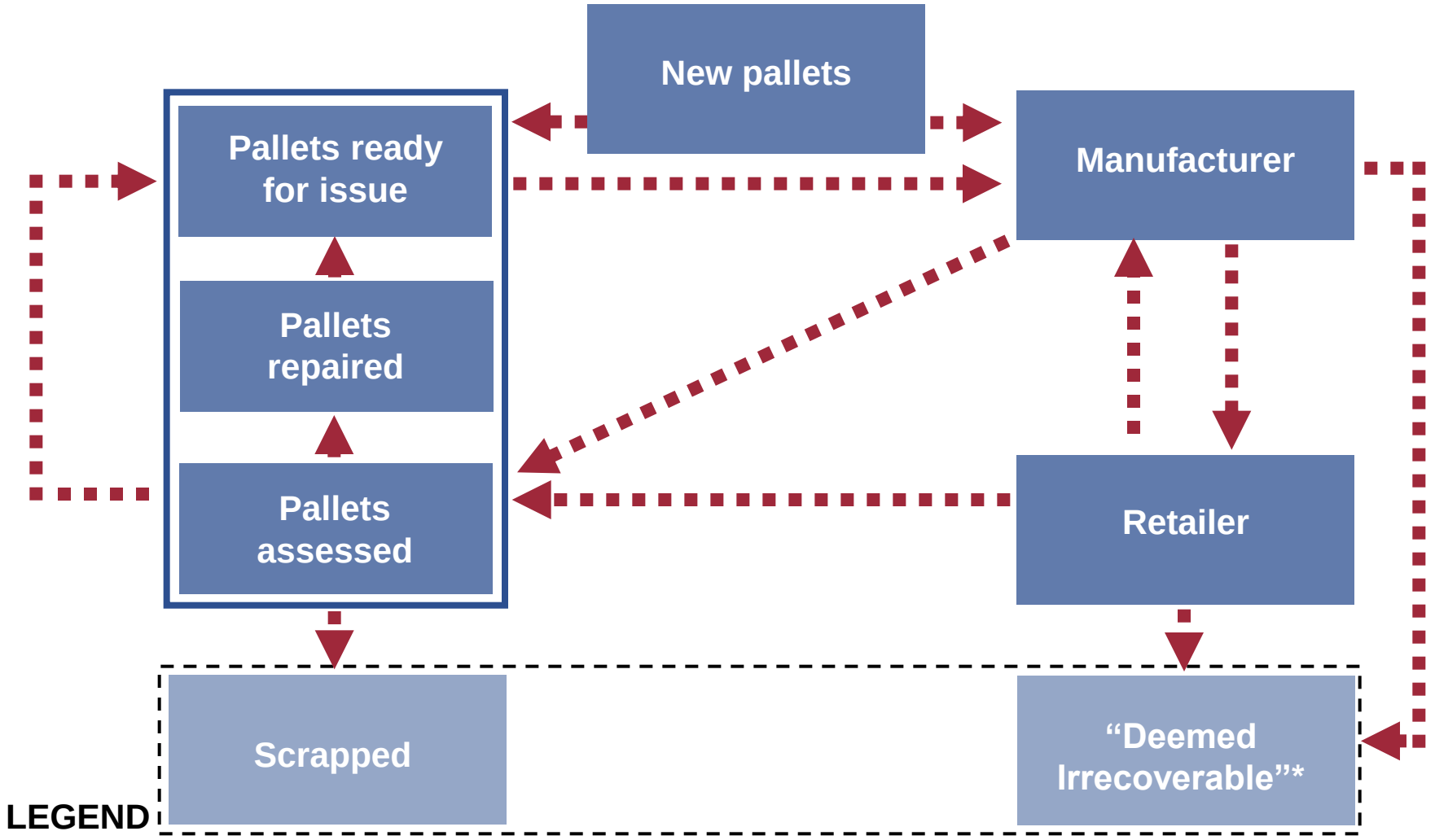
Pallet life cycle: accounting perspective



*Deemed irrecoverable from an accounting perspective at a specific point in time

Pallet life cycle: key drivers

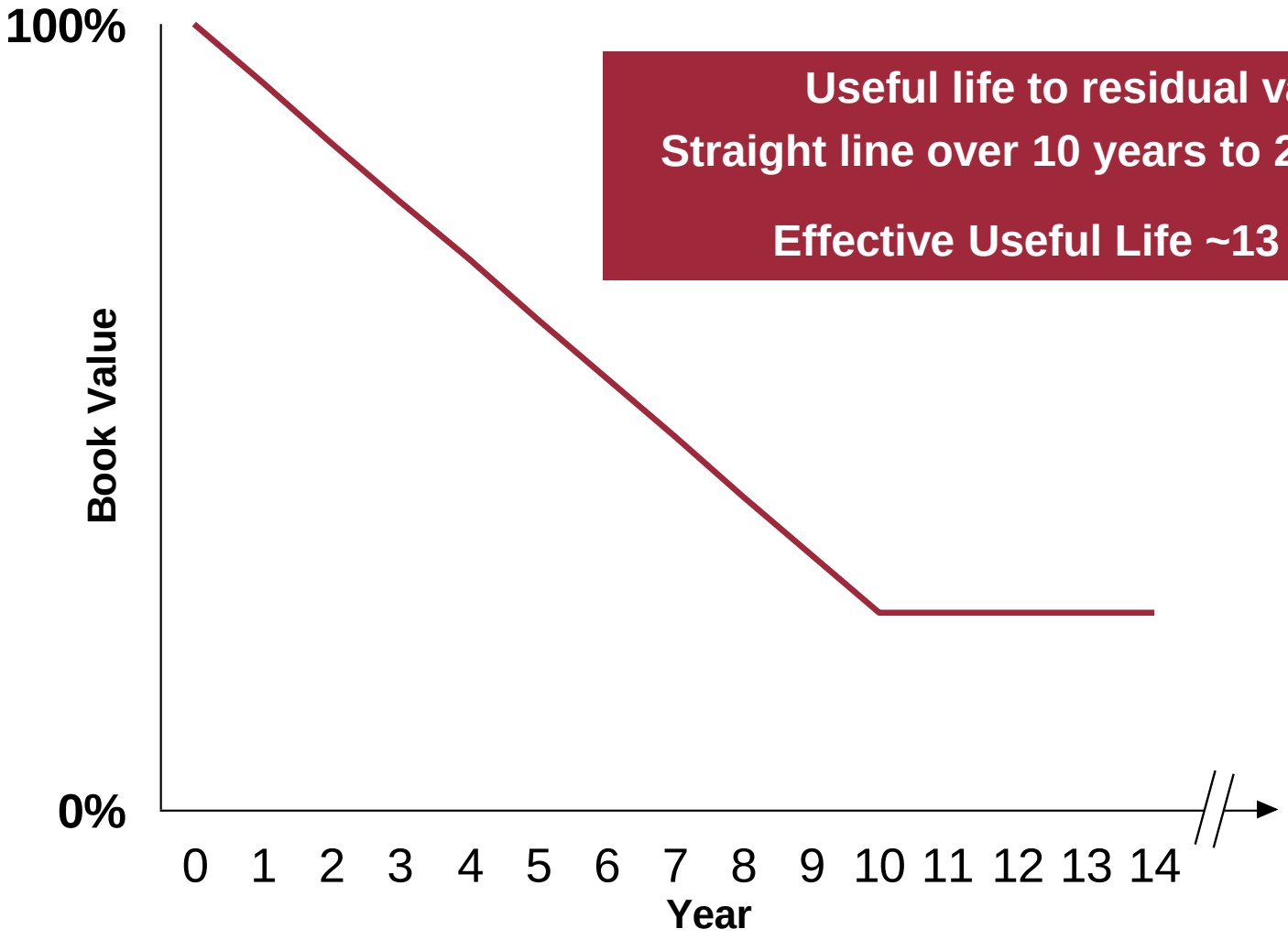
- Sales growth
- Asset turns
- Transport costs
- Plant costs
- Asset management costs
  - recovery
  - depreciation
  - IPEP expense

New pallets

- Pallets are classified as Property, Plant and Equipment
- Capital value includes:
  - initial delivery; and
  - handling costs
- Purchase price* dependent on the price of materials
  - Americas (US$20)
  - Continental Europe (€11 or US$17)
  - China – plastic pallet (RMB343 or US$47)
  - Asia-Pacific (A$23 or US$21)
  - UK (£8 or US$16)
- Depreciated over 10 years to 25% residual

* All costs are approximate and are at average 2008 actual exchange rates.

Pallet (wood) depreciation policy



Useful life to residual value

Straight line over 10 years to 25% of cost

Effective Useful Life ~13 years

Pallet Quality Standards (PQS)

Tolerances

B1210A

	Dimensions	Upper Tolerance	Lower Tolerance
Width	1200 mm	+ 10 mm	- 10 mm
Depth	1000 mm	+ 10 mm	- 10 mm
Height	162 mm	+ 10 mm	- 10 mm
Window Height (1000 mm side)	120 mm	+ 5 mm	- 3 mm
Window Width (1000 mm side)	357 mm	+ 5 mm	- 5 mm
Window Height (1200 mm side)	95 mm	+ 3 mm	- 3 mm
Window Width (1200 mm side)	390 mm	+ 5 mm	- 5 mm

Leading edge board can be wood or high density polyethylene.
Treatments: Anti blue stain as approved by CHEP

The standard pool pallet will have acceptable tolerances, these have been independently tested to assure the strength and durability are maintained to meet the maximum safe working load of 1,500 kg. The humidity level of standard pool pallets is variable and can not be guaranteed. CHEP endeavours to take all precautionary measures ensure pallets are issued free from hazardous forms of contamination.*

Tolerances

B1208A

	Dimensions	Upper Tolerance	Lower Tolerance
Width	1200 mm	+ 10 mm	- 6 mm
Depth	800 mm	+ 10 mm	- 6 mm
Height	144 mm	+ 7 mm	- 7 mm
Window Height (800 mm side)	100 mm	+ 3 mm	- 5 mm
Window Width (800 mm side)	228 mm	+ 10 mm	- 8 mm
Window Height (1200 mm side)	100 mm	+ 5 mm	- 5 mm
Window Width (1200 mm side)	383 mm	+ 10 mm	- 10 mm

Leading edge board can be wood or high density polyethylene.
Treatments: Anti blue stain as approved by CHEP

The standard pool pallet will have acceptable tolerances, these have been independently tested to assure the strength and durability are maintained to meet the maximum safe working load of 1000 kg. The humidity level of standard pool pallets is variable and can not be guaranteed. CHEP endeavours to take all precautionary measures ensure pallets are issued free from hazardous forms of contamination.*

* CHEP has a policy of continuous improvement and reserves the right to change the Pallet Quality Standard without prior notification. CHEP cannot be held responsible for any misinterpretation or misapplication of the guidelines shown.

Asset Management - accounting for deemed irrecoverable pallets

- Pallets that cannot be accounted for at a particular location at a specific point in time are deemed ‘irrecoverable’ from an accounting perspective
- Two types of irrecoverable pallets

Compensatable

- Via individual contract (varies by customer and region)
- On receipt of compensation the Net Book Value (NBV) and pallet numbers are written off
- Partially offsets gross replacement capex (varies across time, region and customer)

Uncompensatable

- Built into cost and pricing structure
- NBV of potential unaccounted for pallets is provided through the Irrecoverable Pooling Equipment Provision (IPEP)
- Pallet numbers are written off on audit completion

In both cases irrecoverable pallets have to be replaced.

‘Unaccounted for’ pallets represents ~9-10% pa of the pallet pool.

Irrecoverable Pooling Equipment Provision (IPEP)

- Irrecoverable Pooling Equipment Provision Expense
  - Reflects the cost to CHEP in the period of known and estimated uncompensatable irrecoverable pallets at a particular point in time
  - Includes pallets that are unaccounted for due to:
    - A distributor that does not have a contractual agreement with CHEP
    - The result or anticipated result of an audit where it is known unaccounted for pallets will not be compensated
  - Uncompensatable pallets are written off against the provision
- IPEP is determined with reference to historical statistical data, audit outcomes, KPIs and management estimates which all require judgement

Management Accounts
for the year ended 30 June 2008

	US$ / %
Sales revenue	100
Transport costs	(19)
Plant operations	(26)
Depreciation	(11)
Net gains on disposals of PPE	1
IPEP expense	(3)
Other operating expenses	(16)
Comparable operating profit	26

Note: numbers are indicative only.

Statutory Accounts
for the year ended 30 June 2008

NOTE 5. PROFIT FROM ORDINARY ACTIVITIES – CONTINUING OPERATIONS

	Consolidated 2008 US$m	Consolidated 2007 US$m
a) Revenue and other income – continuing operations		
Sales revenue	4,358.6	3,868.8
Net gains on disposals of property, plant and equipment	46.4	42.7
Other operating income	135.1	118.2
Other income	181.5	160.9
Total income	4,540.1	4,029.7
b) Operating expenses – continuing operations		
Employment costs (Note 7)	787.9	739.4
Service suppliers:		
– Transport	813.2	722.0
– Repairs and maintenance	294.9	239.7
– Subcontractors and other service suppliers	501.5	497.5
Raw materials and consumables	195.7	182.7
Occupancy	217.3	184.0
Depreciation of property, plant and equipment	414.0	362.2
Irrecoverable pooling equipment provision expense	91.2	90.2
Amortisation:		
– Software	34.5	33.5
– Acquired intangible assets (other than software)	6.5	6.0
– Deferred expenditure	3.6	2.6
Other	155.1	178.2
	3,515.4	3,238.0

Financial Report – Note 20

for the year ended 30 June 2008

NOTE 20. PROPERTY, PLANT AND EQUIPMENT

	Consolidated		
	Land and buildings US$m	Plant and equipment US$m	Total US$m
Year ended 30 June 2008			
Opening net carrying amount	82.1	3,137.8	3,219.9
Additions	12.4	838.8	851.2
Acquisition of subsidiaries	1.4	7.0	8.4
Disposals	(4.1)	(79.9)	(84.0)
Disposal of subsidiaries	(0.2)	(1.0)	(1.2)
Other transfers	(1.2)	(27.3)	(28.5)
Depreciation charge	(7.6)	(406.4)	(414.0)
Irrecoverable pooling equipment provision expense	–	(91.2)	(91.2)
Foreign exchange differences	7.3	231.0	238.3
Closing net carrying amount	90.1	3,608.8	3,698.9
At 30 June 2008			
Cost	145.9	5,935.8	6,081.7
Accumulated depreciation	(55.8)	(2,327.0)	(2,382.8)
Net carrying amount	90.1	3,608.8	3,698.9

Pallets and Capex Guide

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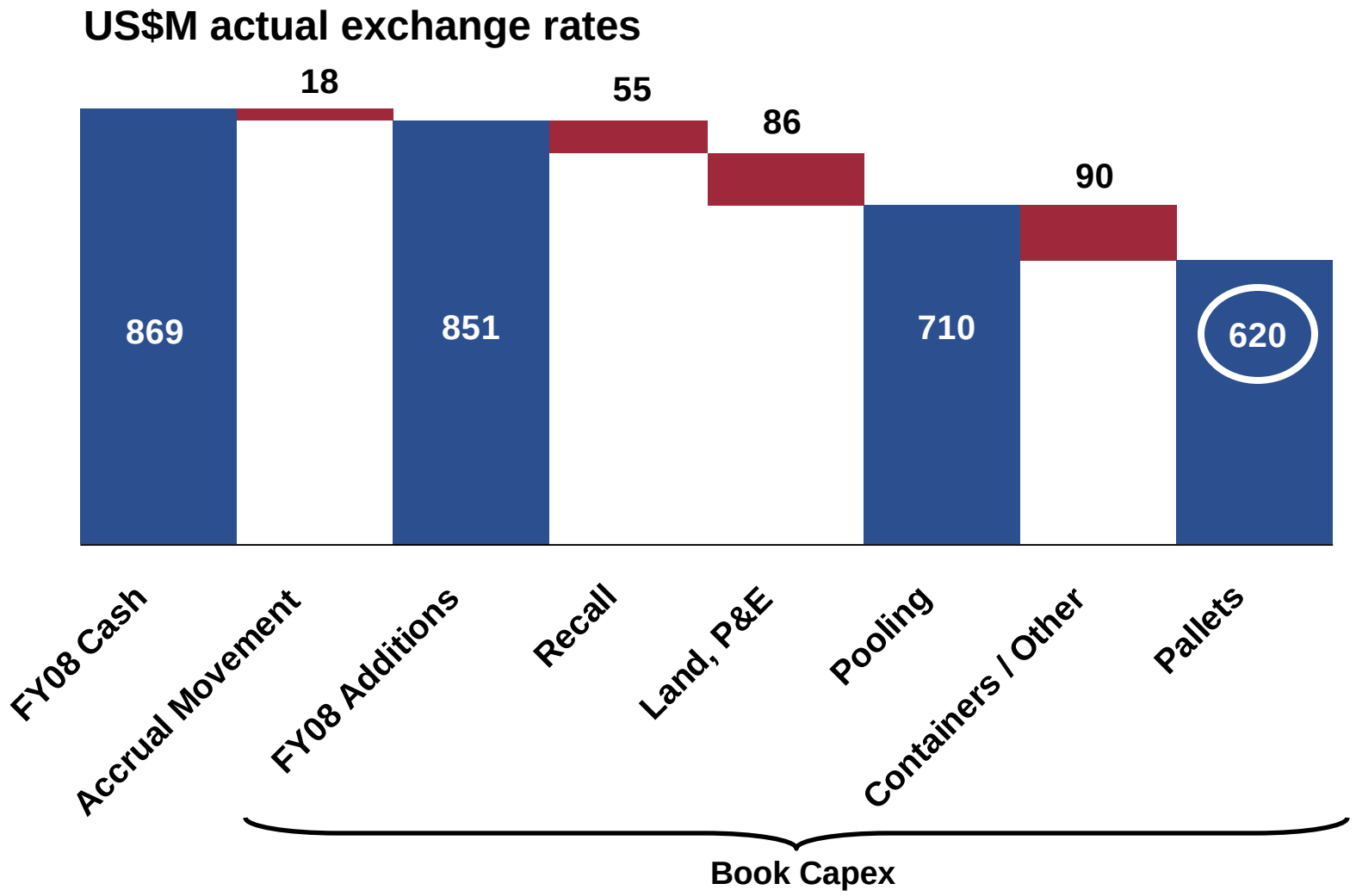
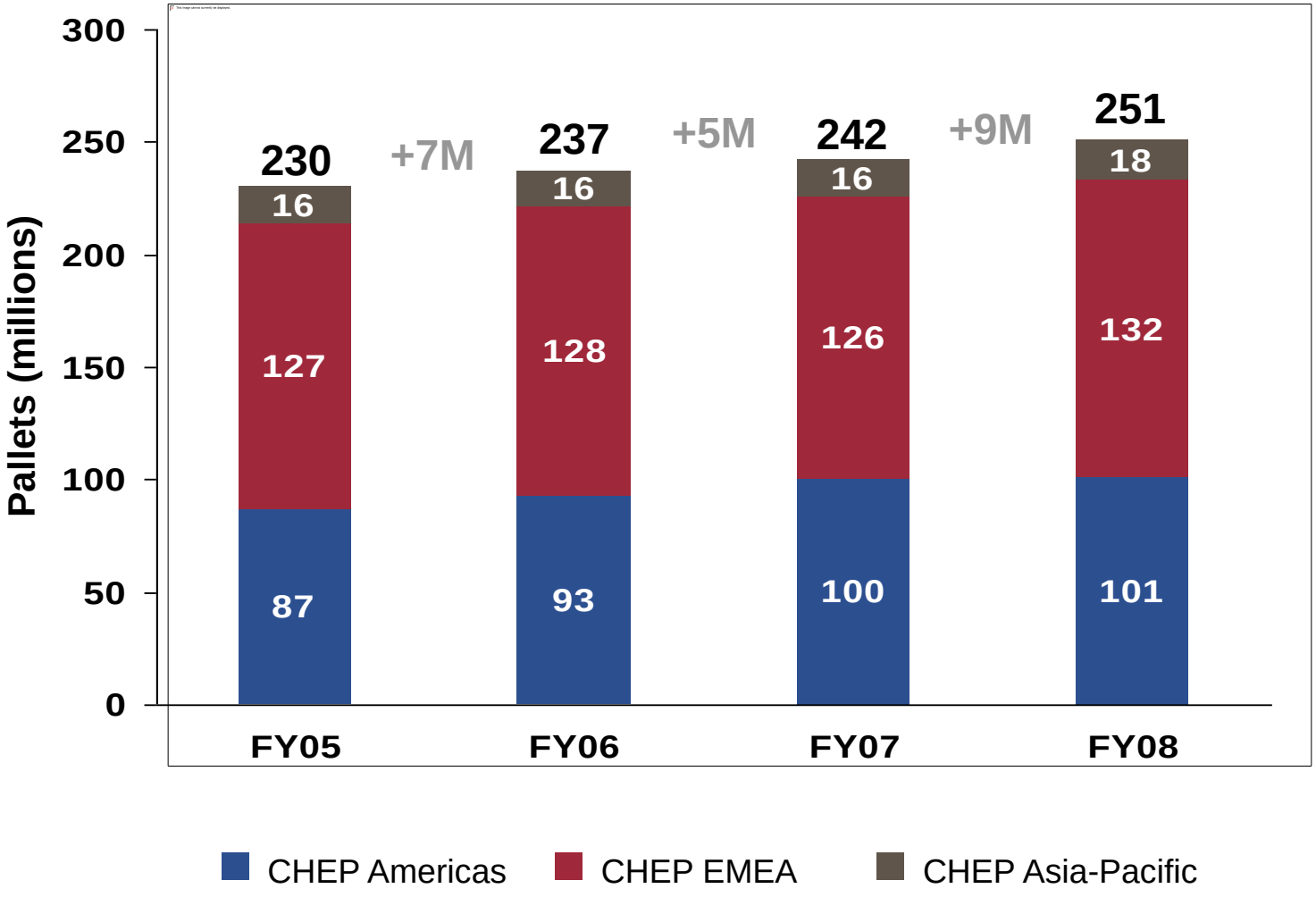
Capital Expenditure – cash to book – FY08



Growth in pallet numbers



Reconciling pallet numbers for capex

Pallet Growth

- FY07: 242M pallets
- FY08: 251M pallets
- Growth: 9M pallets or 3.7% of the pool
- Pallet volume growth just under 4%

Capex Analysis		Number of Pallets
FY08 Capex at approximately US$18 per pallet	US $620M	34 M
Growth Capex	US $(162)M	(9)M
Replacement Capex (~10% of pool)	US $(450)M	(25)M
Difference		8 M

Guide to estimating pallet expenditure

- Assume average pallet price
  for example: US$18
- Assume growth rate
  for example: 3.7% of the pool or 9M pallets
- Assume replacement rate
  for example: 10% of the pool or 25M pallets
- Therefore capex required US$612M or ~US$620M

Example of capex FY08 US$M
~US$162M
~US$450M
~US$612M

Book capex / depreciation – FY08

- Pallets are ~83% of the net carrying amount of plant and equipment

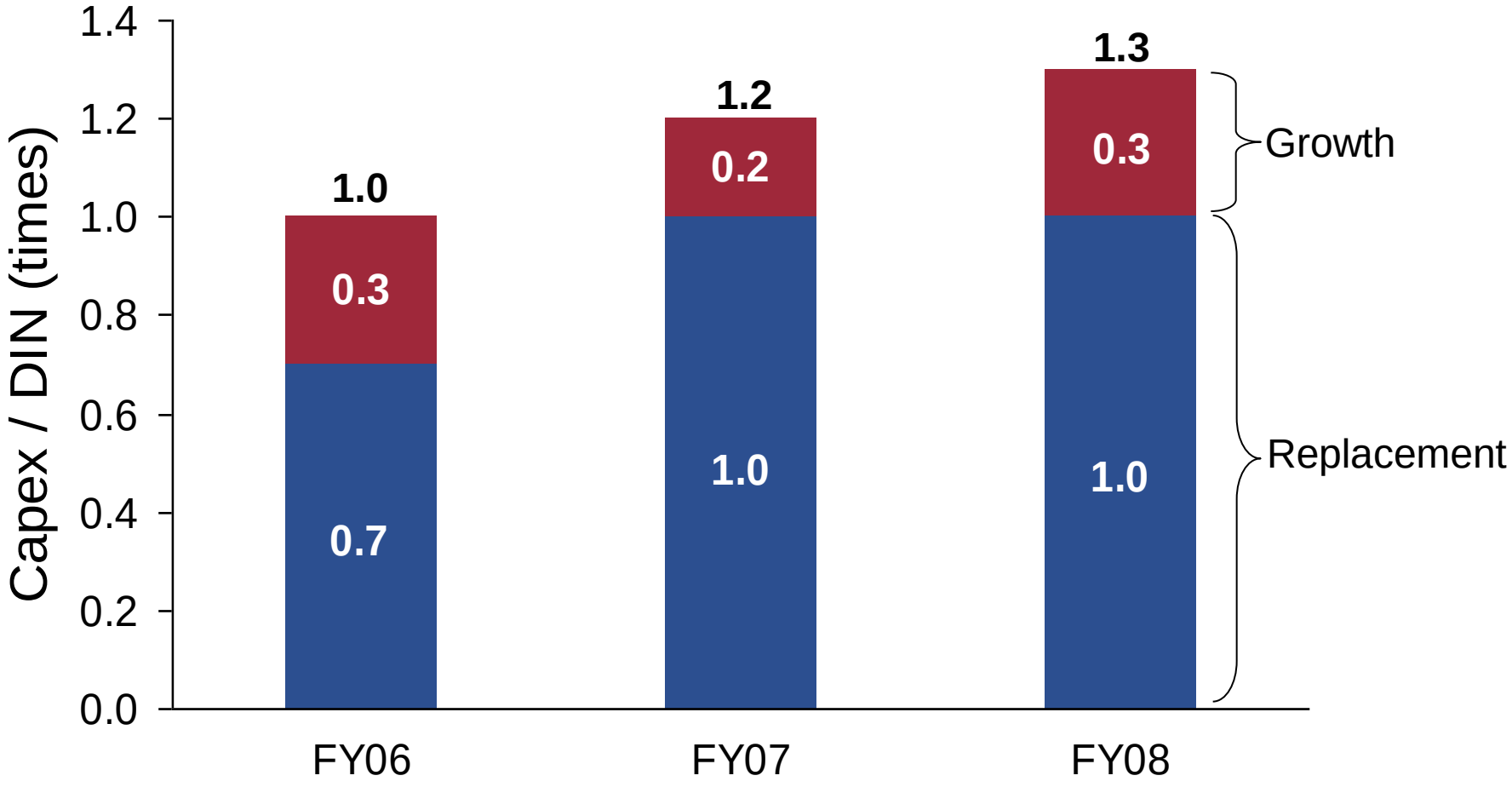
Capex and Depreciation Underlying Ratio

$$\frac{\text{Pallet Capex}}{\text{Pallet Depreciation + IPEP + NBV of Compensatable Pallets}}$$

Example:

$$\frac{\text{US\$620M}}{\text{US\$301M + US\$91M + (US\$80M × 83%)}}$$

Book capex / (**D**epreciation + **I**PEP + **N**BV) for pallets



Control ratio and asset management

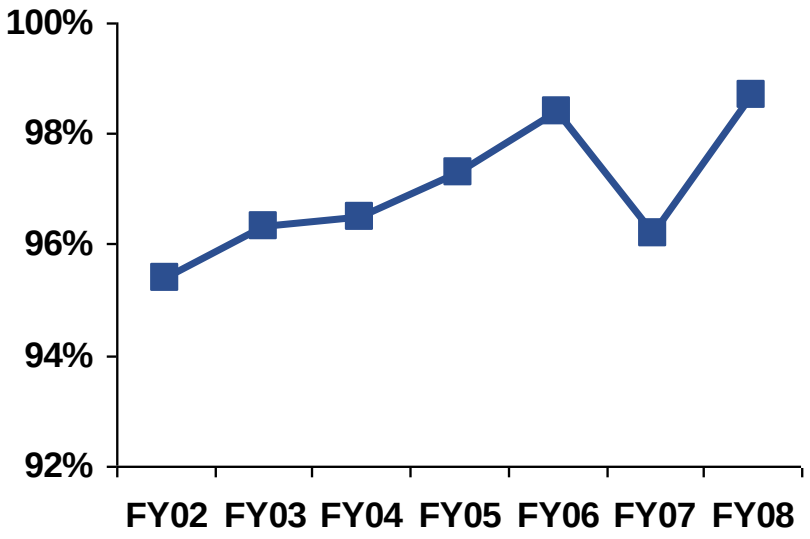
- Internally used to measure asset management in the one way trip pooling model
- (Pallet Returns + Recoveries) / Total Issues
- A lower control ratio drives higher replacement capex (assuming that the pool is stable)
- Limitations to use
  - does not take into account growth
  - represents asset control between two selected points in time

Example

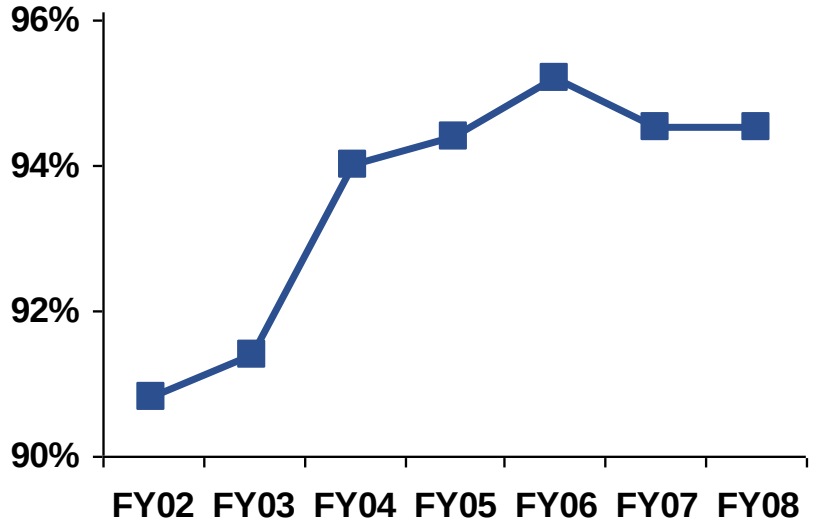
In a stable environment, a control ratio of 97% equates to 'unaccounted for' pallets of 3%. In a pool with 3 asset turns per annum this calculates to 9% of the pallets in the pool per annum being 'unaccounted for' (ie 3% x 3 turns)

Control Ratio

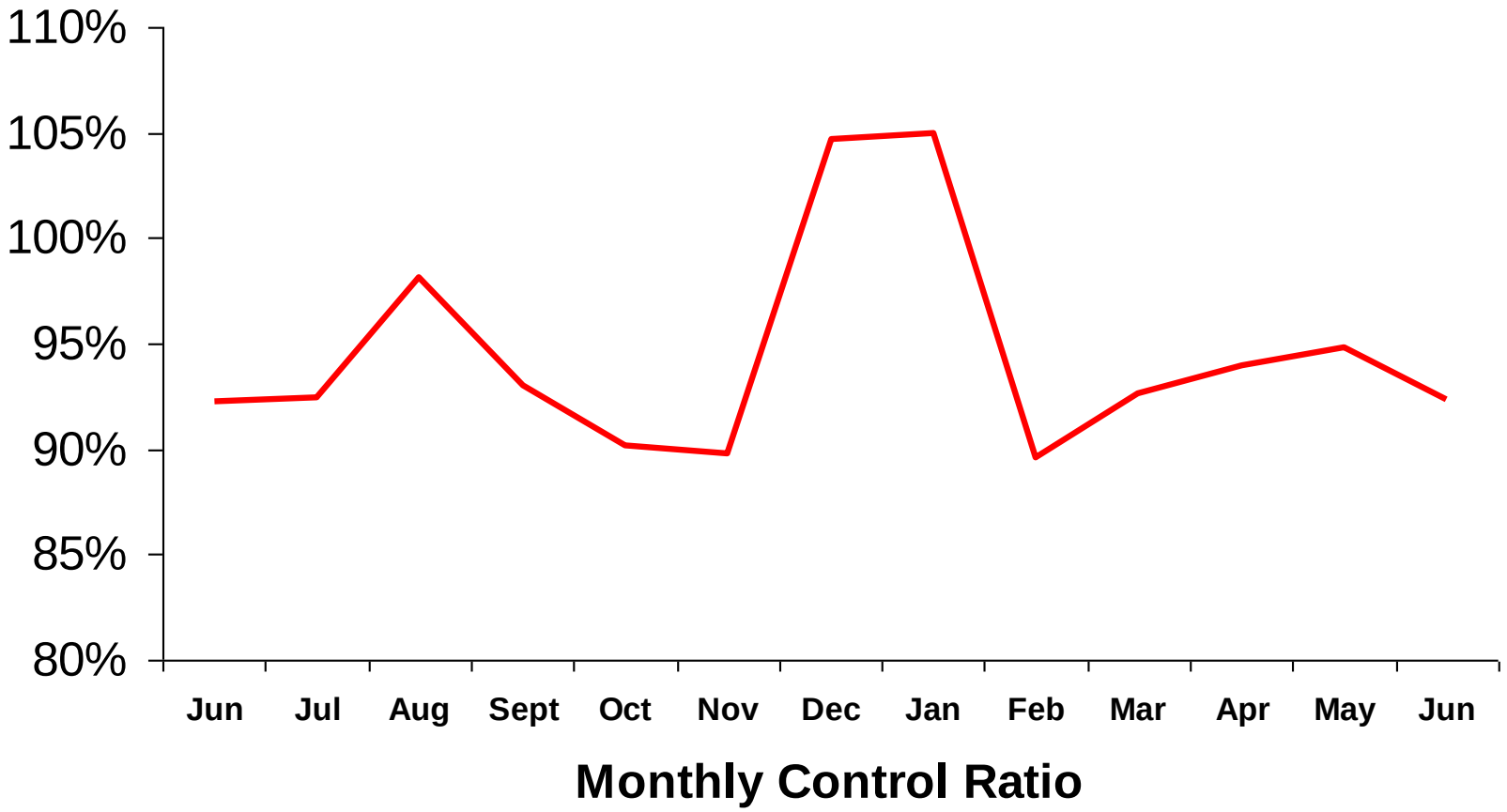
CHEP USA



CHEP Europe



Control Ratio - seasonality example



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Pallet audit process

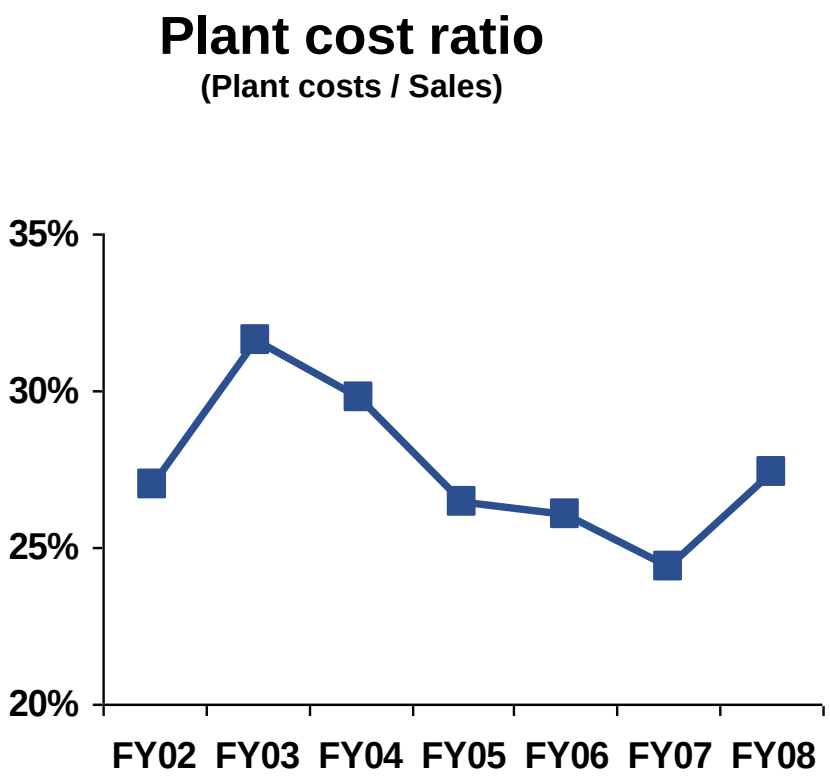
- In addition to monitoring plant operations using KPIs, CHEP regularly conducts physical audits to validate pallet quantities at customer locations

- Adjustments to pallet holdings are made once audits are reconciled and finalised. This can take some months

Other important KPIs

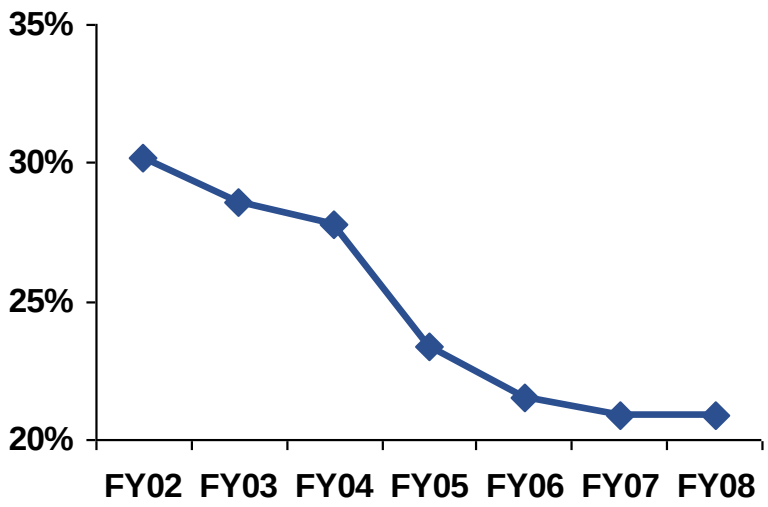
- Transportation Cost Ratio
- Plant Cost Ratio

CHEP USA - plant operation trends



CHEP USA - transportation trends

Gross Transportation cost ratio
(Transportation costs / Sales)



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Sales revenue	4,358.6	3,868.8
Net gains on disposals of property, plant and equipment	46.4	42.7
Other operating income	135.1	118.2
Other income	181.5	160.9
Total income	4,540.1	4,029.7
b) Operating expenses – continuing operations		
Employment costs (Note 7)	787.9	739.4
Service suppliers:		
– Transport	813.2	722.0
– Repairs and maintenance	294.9	239.7
– Subcontractors and other service suppliers	501.5	497.5
Raw materials and consumables	195.7	182.7
Occupancy	217.3	184.0
Depreciation of property, plant and equipment	414.0	362.2
Irrecoverable pooling equipment provision expense	91.2	90.2
Amortisation:		
– Software	34.5	33.5
– Acquired intangible assets (other than software)	6.5	6.0
– Deferred expenditure	3.6	2.6
Other	155.1	178.2
	3,515.4	3,238.0

Summary

- Introduction
- Pooling models
- Financials
- Illustration
  - Pallets and capital expenditure guide

Note to presentation

CHEP maintains ownership of all its pallets and other pooling equipment even when such assets may physically be in the hands of manufacturers, retailers, pallet recyclers or others.

Notwithstanding the accounting treatment and perspective, which requires certain provisions to be made for pooling equipment deemed irrecoverable, CHEP at no time forfeits its ownership rights with respect to any CHEP pallets or other pooling equipment.

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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 presentation. The forward-looking statements made in this presentation 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 presentation except as required by law or by any appropriate regulatory authority.

Brambles

Understanding CHEP

28 January 2009

Appendix

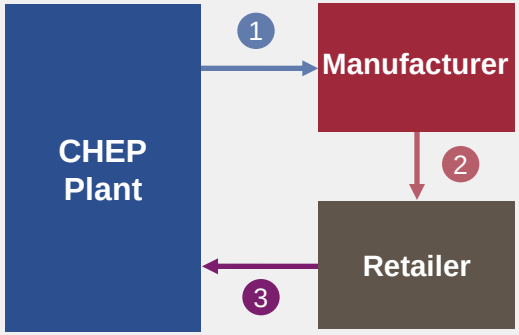
Brambles

Impact on financial statements

	Income Statement	Balance Sheet	Cash Flow statement
Asset purchase	-	Property, Plant and Equipment / Trade payables	Purchases of Property, Plant & Equipment
Fees	Sales revenue	Trade receivables	Receipts from customers
Direct costs – Plant costs, transport costs	Operating expenses. No direct link between management account definition and note 5 (b)	Trade payables	Payments to suppliers and employees
Fuel Surcharge	Other operating income	Trade receivables	Offset to payments to suppliers
White wood sales	Other operating income	Trade receivables	Offset to payments to suppliers
Direct cost - Depreciation	Operating expenses - Depreciation	Property, Plant and Equipment	-
Compensatables	Net gains on disposal of property plant and equipment	Property, Plant and Equipment	Proceeds of property, plant and equipment
Assets scrapped	Net gains on disposal of property plant and equipment	Property, Plant and Equipment	Proceeds of property, plant and equipment
Uncompensatables	Operating expenses – IPEP expense	Property, Plant and Equipment	-

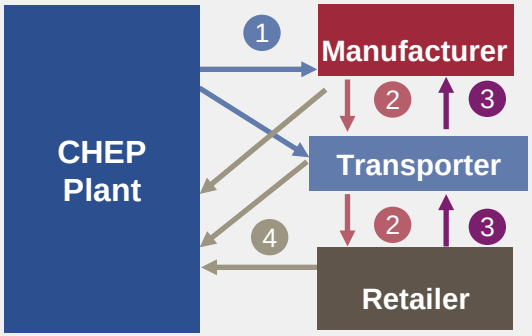
Regions where pallet models are used in principle

One Way Trip



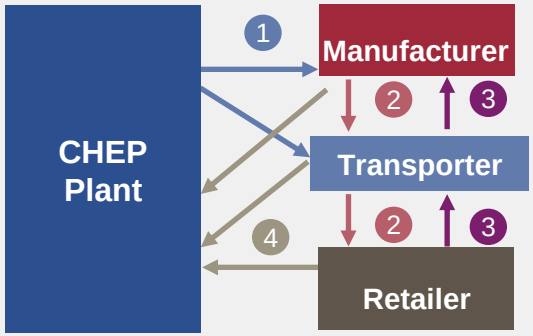
- USA
- Continental Europe
- Canada
- Latin America

Exchange



- UK

Transfer Hire



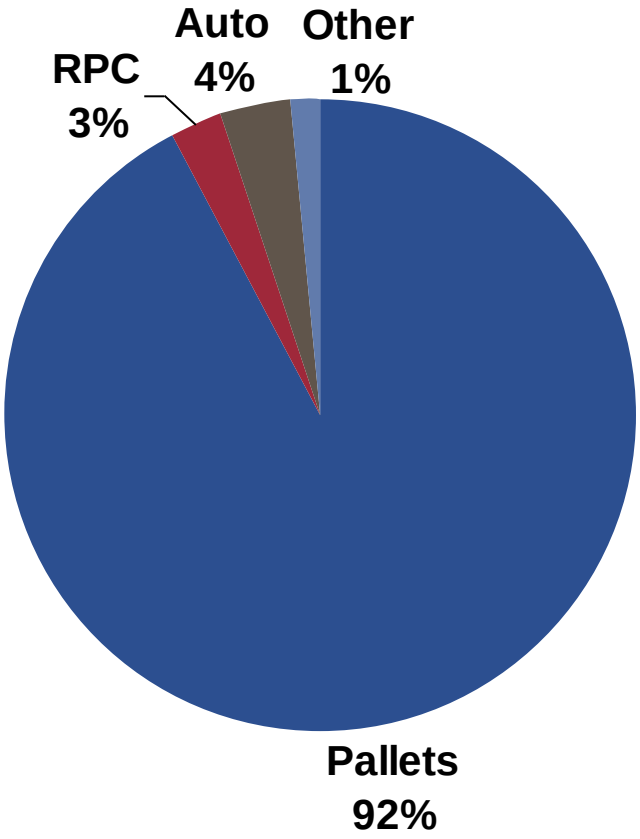
- Australia
- New Zealand
- Asia
- Africa

Product base – not just pallets

Pallets	Intermediate Bulk Containers	Reusable Plastic Containers	Automotive Containers
			
			
			
			

CHEP's asset base

Pooling Equipment Book Value
@ 30 June 2008 = US$3.1BN

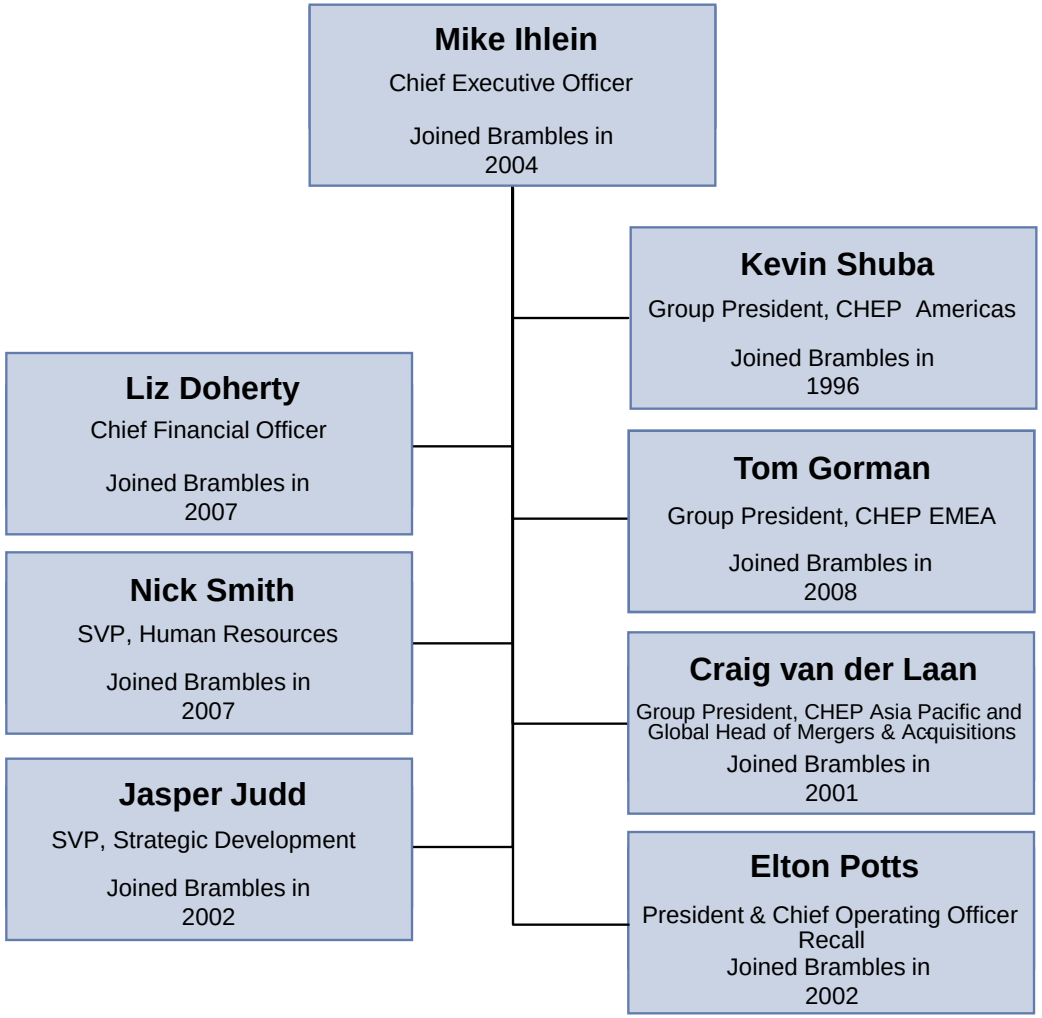


FY08 currency mix

US$M, AIFRS	Total	FY08 Currency mix at Actual FX rates				
		USD	EUR	GBP	AUD	Other
Continuing operations sales revenue	**4,358.6**	1,417.0	1,160.3	494.6	510.8	775.9
Continuing operations comparable operating profit	**1,046.9**	331.4	249.1	125.7	115.4	225.3
Net Debt [1]	**2,426.2**	1,542.8	40.7	74.8	573.1	194.8

1 Net debt shown after adjustments for impact of financial derivatives

Brambles Executive Leadership Team



Control Ratio scenario 1
No growth / constant asset turns

- Control Ratio constant and capex required for replacement of pallets deemed irrecoverable

No growth/Constant cycle time		Year 0	Year 1	Year 2
Unaccounted for pallets (% of issues)		3%	3%	3%
Issue volume growth			0%	0%
Asset turns		3.0	3.0	3.0
Field stock		33.3	33.3	33.3
Growth in field stock	A		0.0	0.0
Issues	B	100.0	100.0	100.0
Unaccounted for pallets (3% of issues)	C	(3.0)	(3.0)	(3.0)
Therefore Returns	D=B+C-A	97.0	97.0	97.0
Control Ratio (Returns/Issues)	=D/B	97.0%	97.0%	97.0%

Pallets	Year 1	Year 2
Opening stock	33.3	33.3
Growth	0.0	0.0
Unaccounted for	(3.0)	(3.0)
Replace	3.0	3.0
Asset turns	0.0	0.0
Closing stock	33.3	33.3

Control Ratio scenario 2
Asset turns improvement

- Control Ratio increases and capex reduces. Capex still required for replacement of pallets deemed irrecoverable

Cycle time improvement		Year 0	Year 1	Year 2
Unaccounted for pallets (% of issues)		3%	3%	3%
Issue volume growth			0%	0%
Asset turns		3.0	3.2	3.4
Field stock		33.3	31.3	29.4
Growth in field stock	A		(2.1)	(1.8)
Issues	B	100.0	100.0	100.0
Unaccounted for pallets (3% of issues)	C	(3.0)	(3.0)	(3.0)
Therefore Returns	D=B+C-A	97.0	99.1	98.8
Control Ratio (Returns/Issues)	=D/B	97.0%	99.1%	98.8%

Pallets	Year 1	Year 2
Opening stock	33.3	31.3
Growth	0.0	0.0
Unaccounted for	(3.0)	(3.0)
Replace	3.0	3.0
Asset turns	(2.1)	(1.8)
Closing stock	31.3	29.4

Control Ratio scenario 3 Growth

- Control Ratio decreases because of growth - capex still required for replacement of pallets deemed irrecoverable and higher than before due to growth

Growth		Year 0	Year 1	Year 2
Unaccounted for pallets (% of issues)		3%	3%	3%
Issue volume growth			3%	6%
Asset turns		3.0	3.0	3.0
Field stock		33.3	34.3	36.4
Growth in field stock	A		1.0	2.1
Issues	B	100.0	103.0	109.2
Unaccounted for pallets (3% of issues)	C	(3.0)	(3.1)	(3.3)
Therefore Returns	D=B+C-A	97.0	98.9	103.8
Control Ratio (Returns/Issues)	=D/B	97.0%	96.0%	95.1%

Pallets	Year 1	Year 2
Opening stock	33.3	34.3
Growth	1.0	2.1
Unaccounted for	(3.1)	(3.3)
Replace	3.1	3.3
Asset turns	0.0	0.0
Closing stock	34.3	36.4

Control Ratio scenario 4
Growth & asset turns improvement

- Control Ratio broadly constant but capex required

Growth & Cycle time improvement		Year 0	Year 1	Year 2
Unaccounted for pallets (% of issues)		3%	3%	3%
Issue volume growth			3%	6%
Asset turns		3.0	3.2	3.4
Field stock		33.3	32.2	32.1
Growth in field stock	A		(1.1)	(0.1)
Issues	B	100.0	103.0	109.2
Unaccounted for pallets (3% of issues)	C	(3.0)	(3.1)	(3.3)
Therefore Returns	D=B+C-A	97.0	101.1	106.0
Control Ratio (Returns/Issues)	=D/B	97.0%	98.1%	97.1%

Pallets	Year 1	Year 2
Opening stock	33.3	32.2
Growth	1.0	1.9
Unaccounted for	(3.1)	(3.3)
Replace	3.1	3.3
Asset turns	(2.1)	(2.0)
Closing stock	32.2	32.1

ABC glossary

- A = stock awaiting inspection
- B = stock awaiting repairing
- C = stock repaired
- D = distributor e.g. manufacturer
- E = emitter e.g. retailer
- F = factory – pallet manufacturer
- r = all ‘returned’ flows
- s = all ‘sent’ flows
- t = pallet transfers
- u = all flows going out from one plant to another plant
- v = all flows coming into a plant from another plant
- w = equipment found and returned
- x = equipment scrapped at plants
- y = new equipment from supplier
- z = equipment lost and officially written off

Glossary of terms & measures

Except where noted, common terms and measures used in this document are based upon the following definitions:

Actual rates	Based upon conversion of local currency into US dollars using the average of the difference between buy and sell rates applicable at each month end.
Average capital invested	Calculated as a 12 month average. Capital invested is calculated as net assets before tax balances, cash and borrowings, but after adding back accumulated pre-tax special items (excluding those associated with the restructuring, Unification and divestment program). Semi-annual average capital invested calculated as a 6 month average.
BVA	Brambles Value Added, calculated in US$ AIFRS as comparable operating profit – (12% x Average capital invested) at June 2007 exchange rates .
Capital expenditure (capex)	On a cash flow basis. Unless otherwise stated, excludes intangible assets, investments in associates and equity acquisitions and is shown gross of any fixed asset disposals proceeds.
Cash flow from operations	Cash flow generated after net capital expenditure and before special items

Glossary of terms & measures

Except where noted, common terms and measures used in this document are based upon the following definitions:

Comparable operating profit	Profit before finance costs, tax and special items. Includes PAT of associates.
Constant currency	Translation of both current period and comparable period results into US dollars at the actual monthly exchange rates applicable for the comparable period.
Continuing operations	Refers to CHEP, Recall and Brambles HQ.
Free Cash Flow (FCF)	Cash flow generated after net capital expenditure, finance costs and taxation but excluding the net cost of acquisitions and proceeds from business disposals.
PAT	Profit after tax before special items, and minority interests.
PBT	Profit before tax and special items. Includes PAT of associates.
ROCI	Calculated as comparable operating profit divided by average capital invested.
Sales revenue	Excludes revenues of associates and non trading revenue.