

28 January 2009

The Manager - Listings  
Australian Stock Exchange Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

*Via electronic lodgement*

Dear Sir,

**UNDERSTANDING CHEP PRESENTATION**

Attached are copies of slides to be presented at an investment market briefing to be held by Brambles' management in Sydney this morning at 9 am.

The slides and webcast of the briefing will be available on the Brambles' website at [www.brambles.com](http://www.brambles.com).

Yours faithfully  
**Brambles Limited**

**Robert Gerrard**  
Company Secretary

For further information, contact:

Michael Roberts, Vice President Investor Relations    +61 (0)2 9256 5216  
+61 (0)418 263 199 (mobile)

**Brambles is globally headquartered in Australia**

# Brambles

## Understanding CHEP

28 January 2009



### Agenda

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

## 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

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## 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.



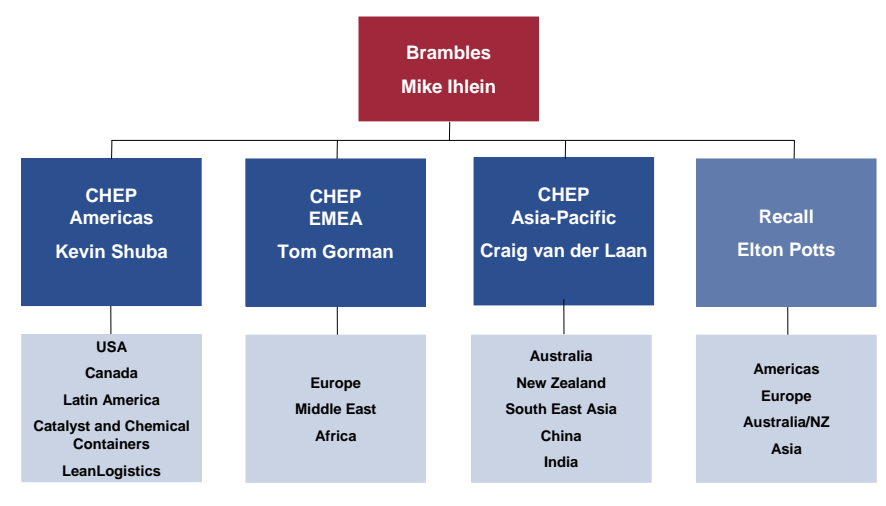
- Recall is a leader in the management of information throughout its life cycle
- One stop, end to end, information management solution
- Provides secure storage, retrieval and destruction of digital and physical information
- Focus on transaction intensive market segment such as banking and finance,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

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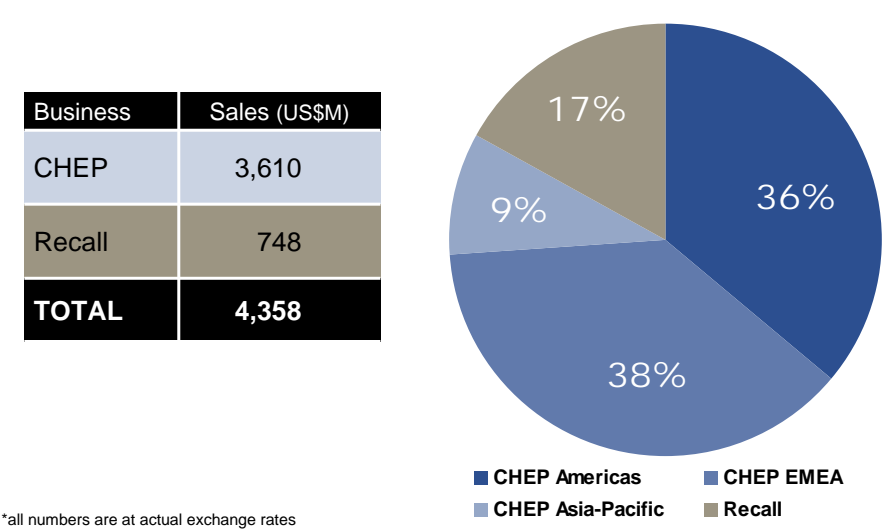
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## Brambles business unit structure



## 2008 Brambles Sales Revenue – by business unit



## 2008 Brambles Sales Revenue – by service

\*all numbers are at actual exchange rates

### Recall

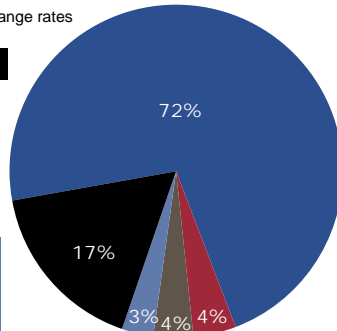
Revenue US\$748M

Cartons 82M

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

Revenue US\$94M

Containers 1M



### Pallet Pooling

Revenue US\$3,157M

Pallets 251M



### Reusable Plastic Containers (RPC)

Revenue US\$169M

Containers 39M



### Automotive Containers

Revenue US\$190M

Containers 11M



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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

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## 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

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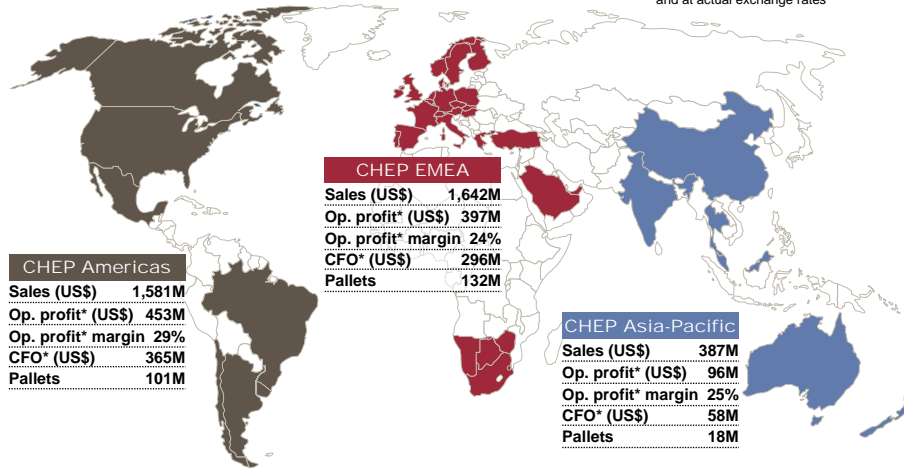
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## Global presence by region

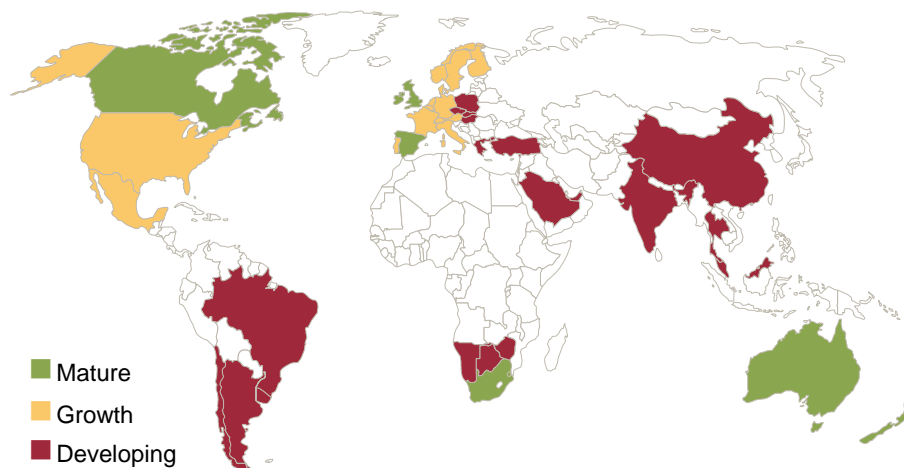


All numbers are for the year ended 30 June 2008  
and at actual exchange rates



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

## Growth opportunities



# Blue-chip partners



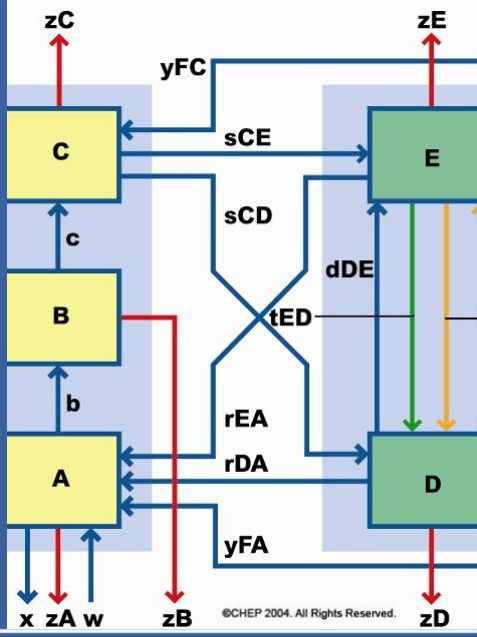
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# Pallet pooling models

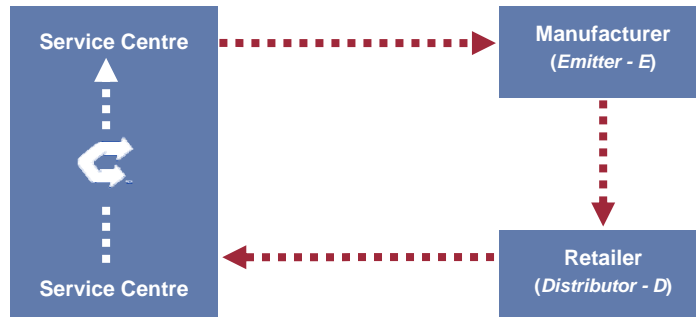


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## How pallet pooling works



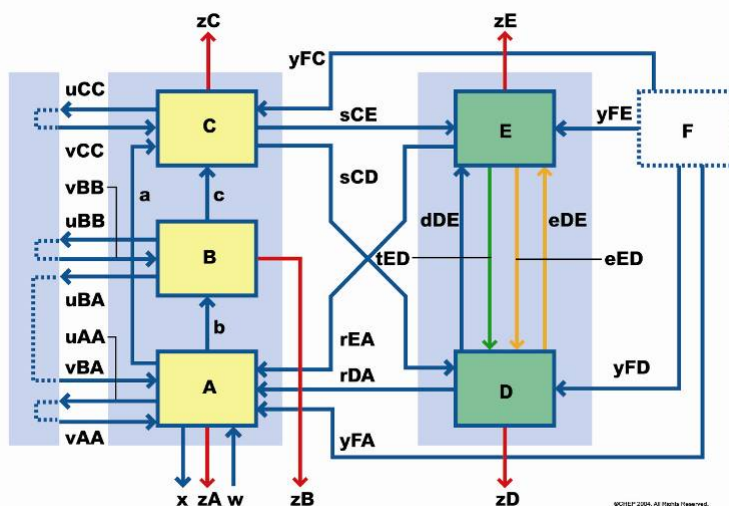
Service Centre	Manufacturer / Emitter	Retailer / Distributor	Service Centre
1. CHEP issues ready-for-use pallets to manufacturers and growers for use and movement through the supply chain.	2. Upon receipt of CHEP equipment, manufacturers and growers load their products and ship them through the supply 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.

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## Sophisticated supply chain flows – network optimisation



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## Pallet pooling models



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

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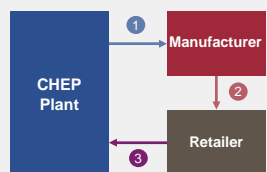
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## Pallet pooling model physical flows



### One Way Trip

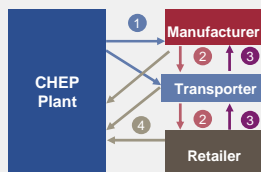
(e.g. USA)



- 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

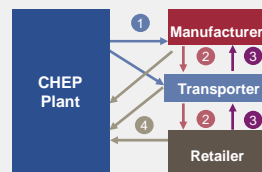
(e.g. UK)



- 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

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## Pallet pricing architecture



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

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

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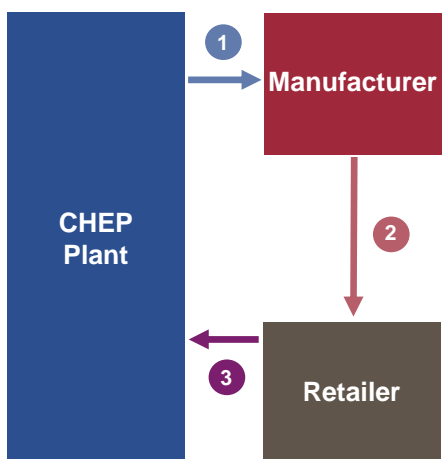
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## One Way Trip (e.g. USA)



- 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

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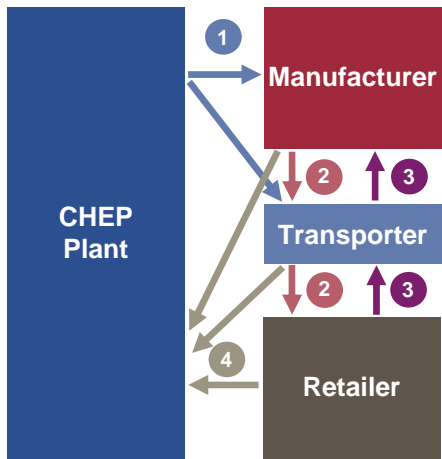
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## Exchange (e.g. UK)



- 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

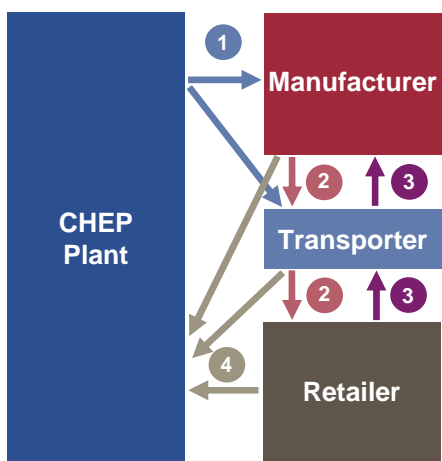
**Movement Fee** – levied per movement under load

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## 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

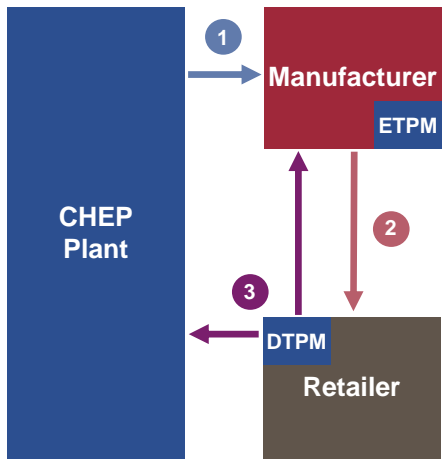
**Daily Fee** – for each day a pallet is used by a customer

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## 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

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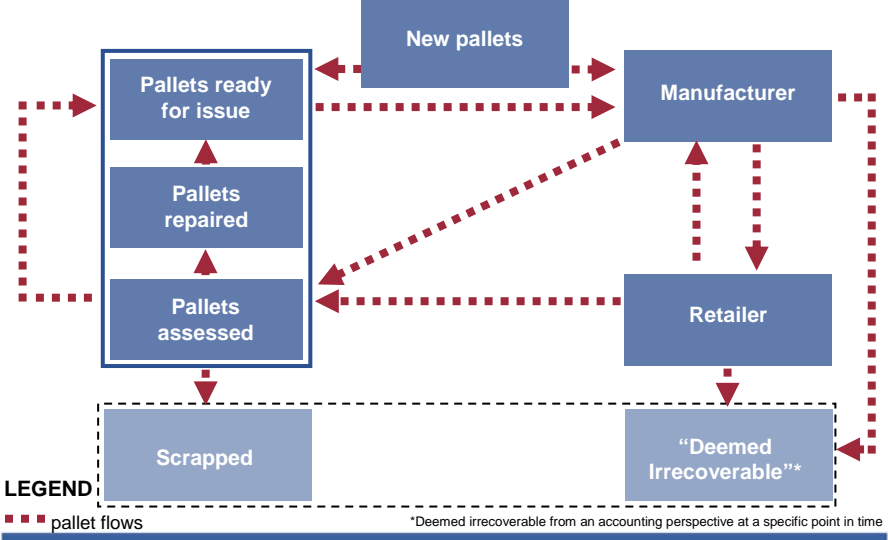


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## Pallet life cycle: accounting perspective



## 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.

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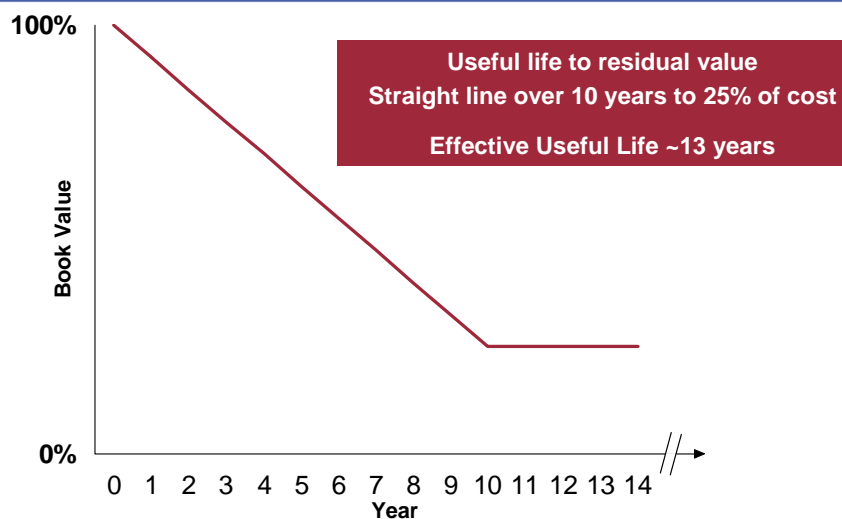
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## Pallet (wood) depreciation policy



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## 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

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## Management Accounts

for the year ended 30 June 2008

## Statutory 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.

### NOTE 5. PROFIT FROM ORDINARY ACTIVITIES – CONTINUING OPERATIONS

	Consolidated	
	2008 US\$m	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	362.9
– 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

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## 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
<b>Year ended 30 June 2008</b>			
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
<b>At 30 June 2008</b>			
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

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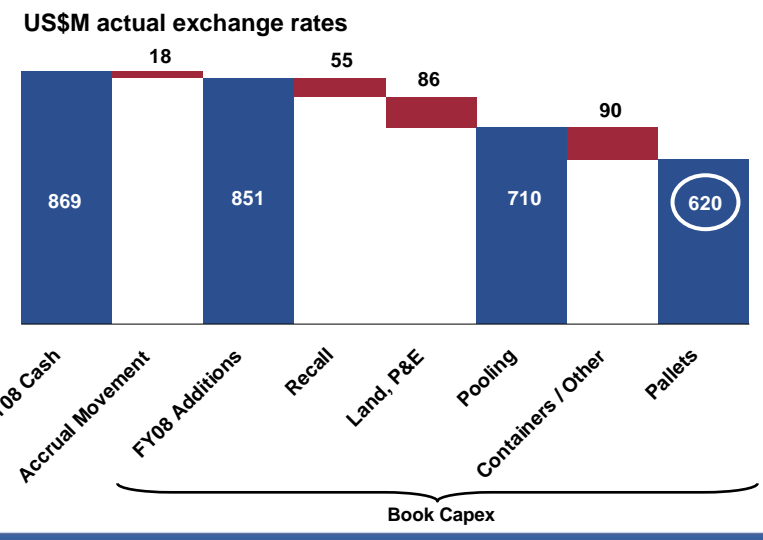


## Pallets and Capex Guide

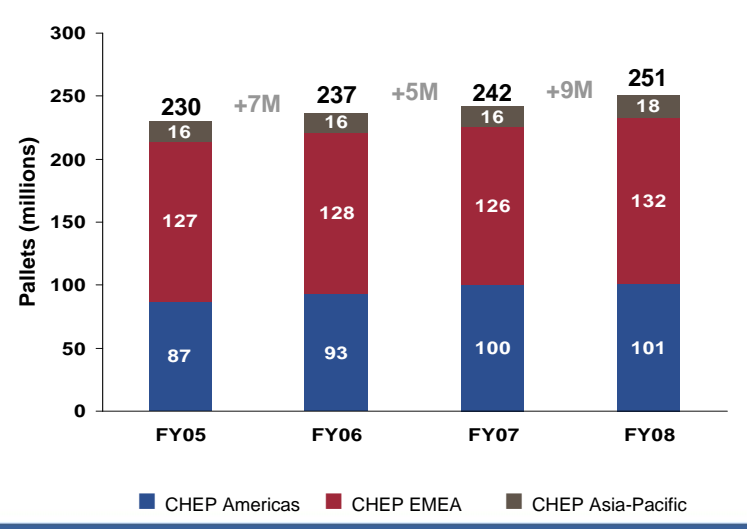


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## Capital Expenditure – cash to book – FY08



## 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 due to rounding etc.	US \$8 M	



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## 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

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## 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:

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

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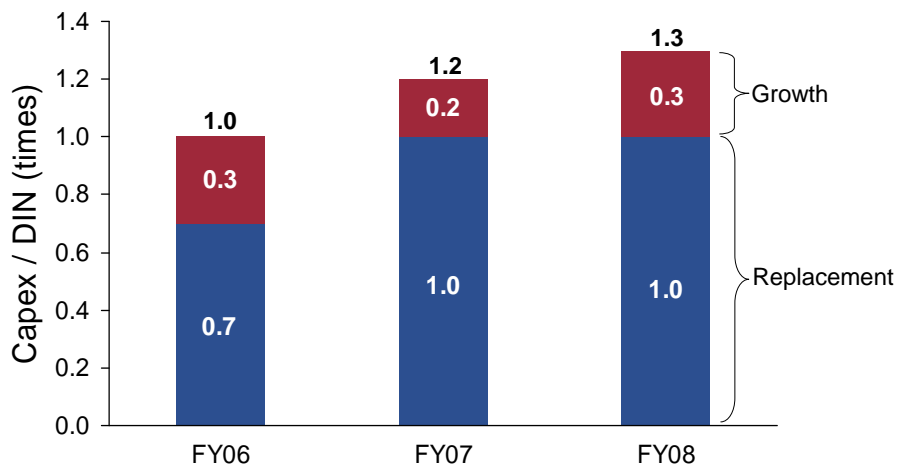
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## Book capex / (Depreciation + IPEP + NBV) for pallets



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## Control ratio and asset management



- Internally used to measure asset management in the one way trip pooling model
- $(\text{Pallet Returns} + \text{Recoveries}) / \text{Total Issues}$
- 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  $3\% \times 3$  turns)

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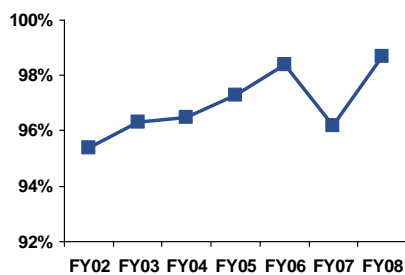
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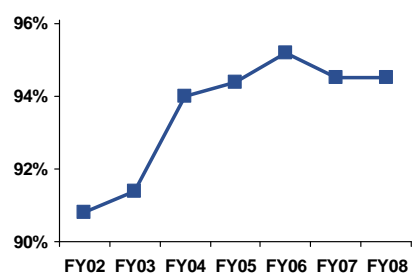
## Control Ratio



### CHEP USA



### CHEP Europe



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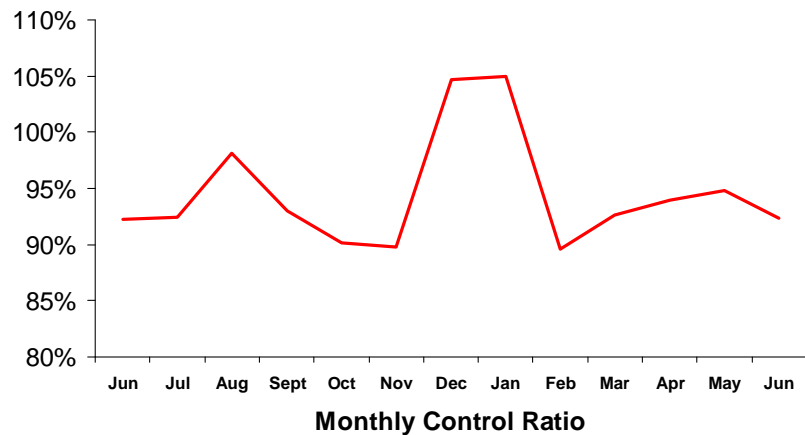
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## Control Ratio - seasonality example



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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

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## Other important KPIs



- Transportation Cost Ratio
- Plant Cost Ratio

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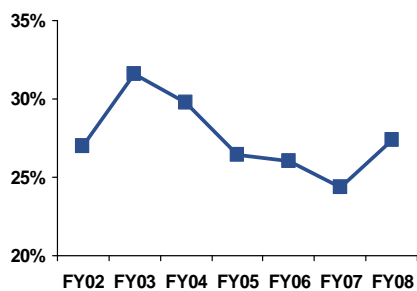
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## CHEP USA - plant operation trends



**Plant cost ratio**  
(Plant costs / Sales)



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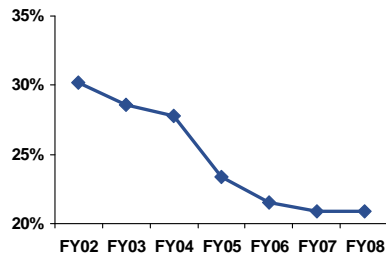
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# CHEP USA - transportation trends



## Gross Transportation cost ratio (Transportation costs / Sales)



NOTE 5. PROFIT FROM ORDINARY ACTIVITIES - CONTINUING OPERATIONS

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	2008 US\$m	2007 US\$m
a) Revenue and other income - continuing operations		
Sales revenue	4,356.6	3,868.8
Net gains on disposals of property, plant and equipment	46.4	42.7
Other operating income	135.1	118.2
<b>Other income</b>	<b>181.5</b>	<b>162.9</b>
<b>Total income</b>	<b>4,540.1</b>	<b>4,029.7</b>
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- Subcontractors and other service suppliers	501.5	497.5
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- Acquired intangible assets (other than software)	6.5	6.0
- Deferred expenditure	3.6	2.6
Other	155.1	176.2
<b>Total operating expenses</b>	<b>3,515.4</b>	<b>3,238.0</b>

## 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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# Brambles

## Understanding CHEP

28 January 2009



## Appendix



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## Impact on financial statements



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

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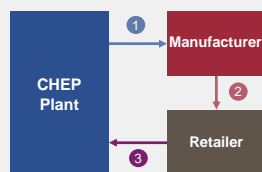
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## Regions where pallet models are used in principle

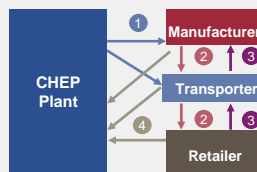


### One Way Trip



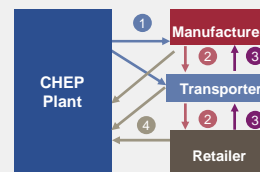
- USA
- Continental Europe
- Canada
- Latin America

### Exchange



- UK

### Transfer Hire



- Australia
- New Zealand
- Asia
- Africa

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## Product base – not just pallets



Pallets	Intermediate Bulk Containers	Reusable Plastic Containers	Automotive Containers

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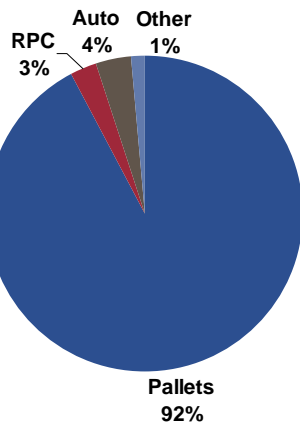
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## CHEP's asset base



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



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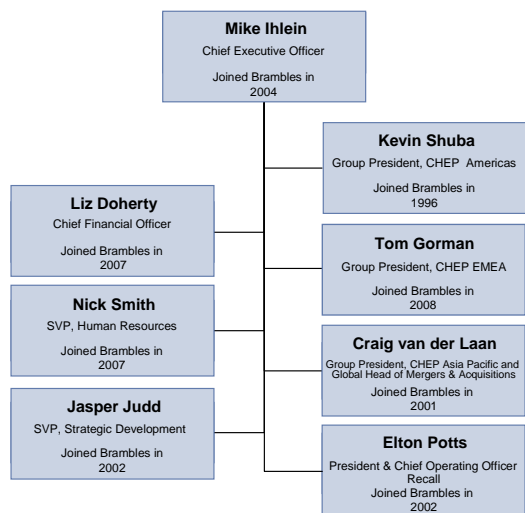
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## FY08 currency mix

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

<sup>1</sup> 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%	0%			
Asset turns		3.0	3.0	3.0			
Field stock		33.3	33.3	33.3	<b>Pallets</b>	<b>Year 1</b>	<b>Year 2</b>
Growth in field stock		A	0.0	0.0	Opening stock	33.3	33.3
Issues		B	100.0	100.0	Growth	0.0	0.0
Unaccounted for pallets (3% of issues)		C	(3.0)	(3.0)	Unaccounted for	(3.0)	(3.0)
Therefore Returns		D=B+C-A	97.0	97.0	Replace	3.0	3.0
Control Ratio (Returns/Issues)		=D/B	97.0%	97.0%	Asset turns	0.0	0.0
					Closing stock	33.3	33.3

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## 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%	0%			
Asset turns		3.0	3.2	3.4			
Field stock		33.3	31.3	29.4	<b>Pallets</b>	<b>Year 1</b>	<b>Year 2</b>
Growth in field stock		A	(2.1)	(1.8)	Opening stock	33.3	31.3
Issues		B	100.0	100.0	Growth	0.0	0.0
Unaccounted for pallets (3% of issues)		C	(3.0)	(3.0)	Unaccounted for	(3.0)	(3.0)
Therefore Returns		D=B+C-A	97.0	99.1	Replace	3.0	3.0
Control Ratio (Returns/Issues)		=D/B	97.0%	98.8%	Asset turns	(2.1)	(1.8)
					Closing stock	31.3	29.4

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## 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

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## 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

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## ABC glossary



- A = stock awaiting inspection
- B = stock awaiting repairing
- C = stock repaired
- D = distributor e.g. retailer
- E = emitter e.g. manufacturer
- 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

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## Glossary of terms & measures



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

<b>Actual rates</b>	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.
<b>Average capital invested</b>	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.
<b>BVA</b>	Brambles Value Added, calculated in US\$ AIFRS as comparable operating profit – (12% x Average capital invested) at June 2007 exchange rates .
<b>Capital expenditure (capex)</b>	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.
<b>Cash flow from operations</b>	Cash flow generated after net capital expenditure and before special items

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## Glossary of terms & measures



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

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