



6 October 2009

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

*Via electronic lodgement*

Dear Sir,

**BRAMBLES ANNOUNCES CEO SUCCESSION PLAN**

Attached is a release to the Exchange from Brambles Limited regarding the above.

Yours faithfully  
**Brambles Limited**

**Robert Gerrard**  
Company Secretary

**Brambles announces succession plan**  
**Mike Ihlein retires as CEO; Tom Gorman, currently Group President, CHEP EMEA**  
**named as CEO (elect)**

Brambles Limited (Brambles) today announced that Chief Executive Officer, Mike Ihlein will retire from his role effective 1 November. Mr Ihlein will be succeeded by Tom Gorman, currently Group President, CHEP EMEA.

Mr Gorman has been chosen by the Board to lead the Company into its next growth phase. To ensure a smooth transition, Mr Ihlein will remain as an executive and continue to be available to Tom Gorman until 1 March 2010.

Mr Ihlein's decision to retire follows nearly six years with Brambles during which time he was Chief Financial Officer, before becoming CEO in 2007. Under Mr Ihlein's leadership, Brambles has had a strong period of sales growth, profits, EPS and cash generation.

Brambles' Chairman, Mr Graham Kraehe, thanked Mr Ihlein for his contribution, noting his key role in a period of major change in the Company to position it well for the future.

"Mike has made a strong contribution to Brambles during an important period of the Company's development," said Mr Kraehe. "In his initial role as CFO, Mike was critically involved in the successful repositioning of Brambles' portfolio to focus on CHEP and Recall. As CEO he reorganised the management structure of the Company to facilitate growth and successfully expand into a number of new geographies and market segments, including Poland, Germany, China, India and USA Food Service. Mike has also laid the foundations for the next phase of business improvement through his leadership and oversight of the CHEP USA Review and its outcomes."

Mr Ihlein added: "I have been in the corporate world for 35 years, and have been considering my ongoing role in executive life for some time now, particularly given the amount of time I have spent travelling away from home."

"The successful conclusion of the CHEP USA Review is a logical point for me to decide to retire. I am very proud of what we have been able to achieve during the critical period of renewal at Brambles over the last 6 years."

Mr Kraehe said that Mr Gorman was the logical successor for the role of CEO, with a strong operational background, extensive international experience in senior leadership roles and a successful track record since joining Brambles in early 2008. He was the unanimous choice of the Board following an extensive executive search process.

"We have all been impressed with Tom's leadership of CHEP EMEA in the last 2 years. Despite the global challenges, that business unit has delivered strong cash generation performance and importantly Tom has played a key role in strengthening relationships with key customers.

"Brambles is in a great position to ensure a smooth transition to Tom as CEO supported by the rest of the executive team, the Board and Mike at a time of exciting new opportunities for the Company, our shareholders and our people," Mr Kraehe said.

Prior to joining Brambles, Mr Gorman had a long career with the Ford Motor Company, and served as President Ford Australia from March 2004 until January 2008. Further biographical information is attached.

Mr Gorman said: "Brambles is very well placed for the future and I am excited to be leading the business at a time of emerging new growth and business opportunities for both CHEP and Recall.

"We have excellent operating models, strong market positions, and great prospects for growth as economies recover.

"The first major priority for me is to ensure we successfully execute our comprehensive response to the CHEP USA Review and I look forward to working closely with the CHEP USA team to deliver this new service and quality offering for our customers."

Mr Gorman will take on the role of CEO effective from 1 November 2009 and will join the Brambles Board on 1 December 2009.

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**Brambles is globally headquartered in Australia**

For further information on Brambles and all company announcements, presentations and webcasts, please visit the company website [www.brambles.com](http://www.brambles.com).

*Attachments:*

A) *Summary of key contract terms for Tom Gorman*

B) *Termination entitlements for Mike Ihlein*

## Attachment A: Summary of key terms and conditions of employment for Tom Gorman

### Commencement date and term

Tom Gorman will commence in the role of Chief Executive Officer on 1 November 2009. He has an on-going contract, which may be terminated by Brambles without cause on giving 12 months notice and by Mr Gorman without cause on giving 6 months notice.

Brambles may also terminate Mr Gorman's contract without notice in the event of serious misconduct.

### Remuneration package

Mr Gorman's contract provides for the following remuneration package:

- Total Fixed Remuneration (TFR), comprising salary and all other benefits (other than incentive plans) of A\$1,800,000; and
- Participation in Brambles' incentive plans in line with current policy:
  - Short-term incentive (STI) opportunity of 45% of TFR (target) and 67% (maximum);
  - Grant of STI Share Awards, the value of which will match the STI payment each year;
  - Grant of annual long-term incentive share awards (LTI Award) equal to 115% of TFR.

The manner in which these incentive plans will apply to Mr Gorman is as set out in sections 3.2, 3.3 and 4 of Brambles 2009 Remuneration Report (pages 36 to 38 of its 2009 Annual Report, which is on Brambles' website ([www.brambles.com](http://www.brambles.com))).

Both TFR and Total Remuneration are positioned at around the market median of companies of a similar size to Brambles.

### Termination entitlements

In the event that Mr Gorman's employment is terminated by the Company without cause, he is entitled to a payment equal to 12 months' TFR (inclusive of any payment in lieu of notice) and accrued entitlements.

No STI Share Awards or LTI shares will normally vest in these circumstances. However, if Mr Gorman's employment is terminated in accordance with the "good leaver" provisions of Brambles 2006 Performance Share Plan:-

- Any of his unvested STI Share Awards will vest at the date of cessation of employment.
- Any of his unvested LTI Share Awards will be retained and tested against their performance conditions on the date they vest. Subject to the satisfaction of the performance conditions, the number of Brambles shares to which Mr Gorman is entitled would be reduced pro-rated by the period of his employment during the relevant performance period of the LTI Share Awards.

Mr Gorman's entitlement to any payments under the STI and LTI Plans upon his termination will be subject to the Plan Rules and satisfaction of the applicable business and personal performance conditions.

## **Attachment B: Termination entitlements for Mike Ihlein**

Mike Ihlein has agreed to remain in Brambles employ until 1 March 2010 to assist the transition to the new CEO, at which point he will retire. Mr Ihlein has announced that he will resign from his position as CEO and from the Board on 1 November 2009.

### **Summary of termination entitlements**

Mr Ihlein will be entitled to the following payments and benefits upon ceasing employment:

- 6 months TFR (inclusive of payment in lieu of notice period). This equates to a cash payment of A\$1,181,500;
- Payment for any accrued annual leave and long service leave at the date of cessation of employment;
- Pro-rated STI payment determined by performance against objectives for the 2010 financial year. Performance will be assessed and the payment determined and paid at the date of cessation of employment;
- Vesting of unvested STI Share Awards at the date of cessation of employment in accordance with the terms of the 2006 Performance Share Plan (163,499 shares); and
- Unvested Enhanced STI Share Awards and LTI awards will be retained and performance conditions to which they are subject will be assessed, and subject to those conditions being satisfied, will vest at the normal assessment date, in accordance with the Plan Rules. The number of Brambles shares to which he will be entitled will be reduced pro-rata for the portion of the performance period to the date of cessation of employment. The maximum number of awards that can vest, subject to performance, is 27,114 Enhanced STI share rights and 268,796 LTI share rights.

The total value of the Enhanced STI and LTI awards are not currently known as the performance testing of these awards will not be completed until the end of their respective performance periods, in accordance with the Plan Rules, but it will be disclosed in the Annual Report and Accounts for the 2010 and 2011 financial years.