



4 June 2012

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

*Via electronic lodgement*

Dear Sir or Madam

**Brambles announces decision to retain Recall and A\$448M pro rata entitlement offer**

Attached is an announcement regarding the above.

Yours faithfully  
**Brambles Limited**

**Robert Gerrard**  
Group Company Secretary

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## **BRAMBLES ANNOUNCES DECISION TO RETAIN RECALL AND A\$448 MILLION PRO RATA ENTITLEMENT OFFER**

Sydney, 4 June 2012 - Brambles Limited announces that, following an extensive process, the company has determined not to divest Recall, its information management business, and will instead retain it. As a result, Brambles announces that it is undertaking a fully underwritten 1-for-20 pro rata accelerated renounceable entitlement offer to raise gross proceeds of A\$448 million at an underwritten price of A\$6.05 per share. Brambles will use the funds received from this process to retire debt.

Brambles Chairman Graham Kraehe said: "Our pursuit of the Recall divestment process was about maximising value for shareholders. Amid challenging capital markets conditions, and following complex negotiations, offers from bidders for Recall did not reflect its value or offer sufficient certainty. Therefore, the Board concluded that it is in the best interests of Brambles' shareholders to retain Recall, which is a profitable and growing business.

"Our decision to raise equity today in the absence of proceeds from a sale is consistent with the original funding plan for the IFCO acquisition. The equity raising replaces funds Brambles originally planned to raise through the underwritten dividend reinvestment plans for the 2011 final and 2012 interim dividends, which we cancelled when we announced our intention to sell Recall in August 2011."

Following the equity raising, Brambles' credit metrics are expected to be consistent with the company's internal targets and commitment to maintain its solid investment grade credit ratings.

Brambles CEO Tom Gorman said: "Our strategy to deliver profitable growth to our shareholders through expanding our pooling solutions operations is unchanged. We remain committed to and are well underway with our plan to invest US\$550 million of capital to support new platform and emerging markets expansion in the pooling solutions business over the 2012 and 2013 financial years.

"In addition, Brambles is committed to managing and investing in Recall for continued improved performance and long-term profitable growth. Throughout the divestment process, our employees at Recall have performed with outstanding professionalism, continuing to deliver consistently high levels of customer service."

Brambles estimates total pre-tax costs from the Recall divestment process will be approximately US\$25 million, which the company plans to recognise within Significant items outside of Underlying profit in its results for the financial year ending 30 June 2012. Brambles recognised US\$6 million of these costs within Significant items in its results for the first half of the 2012 financial year.

### **REAFFIRMATION OF EARNINGS GUIDANCE**

Brambles continues to expect its 2012 financial year Underlying profit to be within the previously communicated range of US\$1,050 million to US\$1,080 million, at 30 June 2011 foreign exchange rates. This guidance is subject to unforeseen circumstances and ongoing economic uncertainty and includes an Underlying profit contribution from Recall estimated to be between US\$180 million and US\$195 million, consistent with previous guidance. Underlying profit excludes total Brambles' Significant items estimated at US\$70 million to US\$80 million.

Challenging trading conditions in Brambles' major regions of operation continue and are not anticipated to improve as the company enters the 2013 financial year.

### **ENTITLEMENT OFFER**

The Entitlement Offer comprises a pro rata accelerated institutional entitlement offer and a retail entitlement offer, which includes the ability to trade retail entitlements on the Australian Securities Exchange (ASX)<sup>1</sup>. The key details of the Entitlement Offer are:

- Fully underwritten 1-for-20 pro rata accelerated renounceable entitlement offer to raise gross proceeds of A\$448 million
- Offer price of A\$6.05 per share (Continued next page)

- Retail entitlements may be traded on the ASX from Thursday 7 June 2012 to Friday 22 June 2012<sup>1</sup>

The offer price of A\$6.05 per share represents a discount of:

- 10.4% to the Theoretical Ex-Rights Price (TERP)<sup>2</sup>
- 10.9% to Brambles' last closing share price

Under the Entitlement Offer, eligible shareholders are invited to subscribe for one new Brambles ordinary share for every 20 existing Brambles ordinary shares (Entitlement) held as at 7pm (Sydney time) on Thursday, 7 June 2012 (Record Date). New shares will be fully paid and rank equally in all respects with existing Brambles ordinary shares from allotment and will be entitled to dividends on the same basis as existing shares, including the 2012 financial year final dividend.

#### **Institutional Entitlement Offer**

Eligible institutional shareholders will be invited to participate in the institutional entitlement offer, which will take place from Monday 4 June 2012 to Tuesday 5 June 2012 (Institutional Entitlement Offer). Eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Institutional Entitlements cannot be traded on the ASX.

Institutional Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be sold through an institutional shortfall bookbuild to be completed on Wednesday 6 June 2012. Any proceeds from the sale of institutional Entitlements under the institutional shortfall bookbuild will be remitted proportionally to those institutional shareholders. There is no guarantee that there will be any proceeds remitted to those institutional shareholders.

#### **Retail Entitlement Offer**

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Friday 8 June 2012 and close at 5pm (Sydney time) on Friday 29 June 2012.

Eligible retail shareholders will be allotted Entitlements. If they do not wish to take up all or part of their Entitlements, they can seek to sell all or part of their Entitlements on the ASX<sup>1</sup> in order to realise value for those Entitlements ahead of the retail shortfall bookbuild. Retail Entitlements can be traded<sup>1</sup> on the ASX from Thursday 7 June 2012 to Thursday 14 June 2012 on a deferred settlement basis and from Friday 15 June 2012 to Friday 22 June 2012 on a normal settlement basis.

Retail Entitlements that eligible retail shareholders do not take up by the close of the Retail Entitlement Offer and Entitlements that would otherwise have been offered to ineligible retail shareholders will be sold through the retail shortfall bookbuild on Wednesday 4 July 2012.

Any proceeds from the sale of Entitlements under the retail shortfall bookbuild will be remitted proportionally to those retail shareholders. There is no guarantee that there will be any proceeds remitted to those retail shareholders.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the retail offer booklet and an accompanying personalised entitlement and acceptance form, which are expected to be despatched on Thursday 14 June 2012. Copies of the retail offer booklet will be available on the ASX and Brambles websites from Friday 8 June 2012. (Continued next page)

<sup>1</sup> Rights trading on the ASX is conditional on Brambles obtaining technical ASIC relief.

<sup>2</sup> TERP is the theoretical calculation of the price at which Brambles shares should trade immediately after the ex-date for the Entitlement Offer. The actual price at which Brambles shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP.

The Entitlements may only be exercised by eligible retail shareholders, being persons with a registered address in Australia or New Zealand and certain categories of investors in Belgium, Canada, China, Denmark, France, Germany, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malaysia, the Netherlands, Norway, Singapore, Sweden, Switzerland, the United Arab Emirates and the United Kingdom.

In addition, Entitlements may only be purchased by persons meeting certain eligibility criteria set out in the appendix to the investor presentation, which Brambles has filed with the ASX today. In particular, persons in the United States and persons acting for the account or benefit of a person in the United States will not be eligible to purchase Entitlements on the ASX or exercise Entitlements purchased on the ASX or transferred directly from another person. If holders at the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements and, as a result, they may receive no value for them.

It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise of Entitlements.

### Timetable

Event	Date
Three-day trading halt commences	Monday 4 June
Institutional Entitlement Offer	Monday 4 June (9am) - Tuesday 5 June (11am)
Institutional shortfall bookbuild	Tuesday 5 June (4.30pm) - Wednesday 6 June (11am)
Existing shares recommence trading on ASX	Thursday 7 June 2012
Retail entitlements commence trading on deferred settlement basis	Thursday 7 June 2012
Record date for eligibility (7pm Sydney time)	Thursday 7 June 2012
Retail Entitlement Offer opens	Friday 8 June 2012
Retail Entitlement Offer booklet despatched and retail entitlements allotted	Thursday 14 June 2012
Retail entitlements commence trading on normal settlement basis	Friday 15 June 2012
Settlement of Institutional Entitlement Offer	Friday 15 June 2012
Issue and quotation of shares under Institutional Entitlement Offer	Monday 18 June 2012
Retail entitlements trading on ASX ends	Friday 22 June 2012
New shares under Retail Entitlement Offer commence trading (deferred settlement basis)	Monday 25 June 2012
Retail Entitlement Offer closes (5pm Sydney time)	Friday 29 June 2012
Notify ASX of shortfall	Wednesday 4 July 2012
Retail shortfall bookbuild	Wednesday 4 July 2012
Retail settlement	Monday 9 July 2012
Despatch of holding statements	Tuesday 10 July 2012
Issue of new shares under the Retail Entitlement Offer	Tuesday 10 July 2012
New shares under Retail Entitlement Offer commence trading on a normal settlement basis	Wednesday 11 July 2012

The above timetable is indicative only and subject to change. All times represent Sydney time. Brambles reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. In particular, Brambles reserves the right to extend the closing date, to accept late applications either generally or in particular cases, and to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares and trading in retail Entitlements is subject to confirmation from the ASX.

**For further information, please contact:**

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**Brambles Limited** (ASX: BXB) is the world's leading provider of pallet and container pooling solutions through the CHEP and IFCO brands, and a leading provider of information management solutions through the Recall brand. Brambles employs approximately 17,000 people in more than 50 countries. For further information on Brambles and all announcements, presentations and webcasts, please visit [www.brambles.com](http://www.brambles.com).

**IMPORTANT INFORMATION**

This release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of new ordinary shares ("New Shares") in any jurisdiction outside Australia. In particular, neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered or sold to, directly or indirectly, persons in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Certain statements made in this release are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Brambles' current expectations, estimates and projections about the industry in which Brambles operates, and beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements. 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 release. The forward-looking statements made in this release 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 release except as required by law or by any appropriate regulatory authority.

This release includes discussion of Underlying profit, which is profit from Continuing operations before finance costs, tax and Significant items. Underlying profit is a non-GAAP (AIFRS or US GAAP) financial measure that Brambles uses to assist users of its financial statements in understanding the period-to-period operating performance of its business. Significant items are items of income or expense that are, either individually or in the aggregate, material to the Brambles group or to the relevant business segment, and are either (i) outside the ordinary course of business or (ii) part of the ordinary activities of the business but unusual due to their size and nature. The disclosure of such non-GAAP financial measures in the manner included in the release may not be permissible in a registration statement under the US Securities Act. These non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although Brambles believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-GAAP financial measures included in this release.