



9 September 2014

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

*Via electronic lodgement*

Dear Sir/Madam

**BRAMBLES TO EXPAND SPECIALIST CONTAINERS BUSINESS THROUGH ACQUISITION  
OF FERGUSON GROUP**

Attached is an announcement relating to Brambles' acquisition of the Ferguson Group. At 9.30 am AEST today, Tom Gorman, Chief Executive Officer, will present an investor briefing on the acquisition. The presentation will be webcast.

Included in the attached announcement are the slides for that presentation.

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

Yours faithfully  
**Brambles Limited**

**Robert Gerrard**  
Company Secretary

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## **Brambles to Expand its Specialist Containers Business through Acquisition of Ferguson Group**

Brambles Limited is pleased to announce the expansion of its specialist containers business through the acquisition of Ferguson Group for an enterprise value of £320 million<sup>1</sup> (US\$545 million)<sup>2</sup>. Ferguson Group is a leading provider of container solutions to the offshore oil and gas sector. Brambles will fund the transaction from its existing committed debt facilities.

Brambles CEO Tom Gorman said: "Ferguson Group is a very strong fit for Brambles, consistent with our strategy of diversifying in segments with strong equipment-pooling and growth characteristics. Combined with our presence in the downstream refining sector through CHEP Catalyst & Chemical Containers, Ferguson Group provides a platform for further expansion of our Containers offering in oil and gas.

"Ferguson Group has a record of compound annual growth in sales revenue of 11% since 2009<sup>3</sup> and a compelling organic growth outlook. It has attractive margin and return on capital characteristics, which are strongly aligned with our objectives to create sustainable value for shareholders. We expect the acquisition to be accretive to Brambles' underlying earnings per share<sup>4</sup> from FY15."

Headquartered in the UK, Ferguson Group is primarily a provider of approximately 18,500 common, standardised containers for the transport of a wide variety of equipment, fluids and other items to and from customer facilities in the offshore oil and gas sector. It has regional hubs in the UK, Norway, Singapore, Australia and the United Arab Emirates and strategic business partners in other key industry locations worldwide. In addition, Ferguson Group provides rental of other standard modular equipment and other specialist logistics services.

The acquisition price represents 10.0 times Ferguson Group's forecast EBITDA for the 12 months ended 31 December 2014. Brambles anticipates it will complete the transaction by the end of September 2014. The vendor of Ferguson Group is its chairman, Steven Ferguson, who will remain as a senior advisor for six months subsequent to completion to assist with transition matters. The remainder of Ferguson Group's key management team will continue to run the business as part of the Brambles Group.

See the attached presentation for more information on Ferguson Group.

### **Further information**

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**Brambles Limited** (ASX:BXB) is a supply-chain logistics company operating in more than 50 countries, primarily through the CHEP and IFCO brands. The Group specialises in the pooling of unit-load equipment and associated services, focusing on the outsourced management of pallets, crates and containers. Brambles primarily serves the consumer goods, dry grocery, fresh food, retail and general manufacturing supply chains. In addition, the Group operates specialist businesses serving the automotive, aviation and refining sectors. Brambles employs more than 14,000 people and owns more than 470 million pallets, crates and containers through a network of approximately 850 service centres. For further information, please visit [www.brambles.com](http://www.brambles.com).

<sup>1</sup> Includes Ferguson Group's net debt balance of £53.8 million as at 30 June 2014.

<sup>2</sup> At 30 June 2014 foreign exchange rates.

<sup>3</sup> Compound annual growth rate calculated for five years ended 31 December 2013.

<sup>4</sup> Brambles defines underlying earnings per share as profit from continuing operations after finance costs and tax but before Significant Items, divided by the weighted average number of shares on issue during the period. Brambles' guidance for FY15 Underlying Profit of US\$1,030 million to US\$1,060 million at 30 June 2014 foreign exchange rates does not include a contribution from any acquisitions made during the year, including Ferguson Group.

### **Forward-Looking Statements**

Certain statements made in this release are "forward-looking statements" – that is, statements related to future, not past, events. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements. These forward-looking statements are not historical facts but rather are based on Brambles' current beliefs, assumptions, expectations, estimates and projections. Forward-looking statements are not guarantees of future performance, as they address matters that are uncertain and subject to known and unknown risks, uncertainties and other factors that 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 views 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 events occurring after the date of this release, except as may be required by law or by any appropriate regulatory authority.



**Brambles**

**Acquisition of Ferguson Group**

9 September 2014

## Strategic highlights

### Continuing our expansion in specialist containers

- Ferguson Group is a leading provider of container solutions (mostly cargo-carrying units) to the global offshore oil and gas industry
- Acquisition is consistent with strategy of diversifying into high-growth segments with pooling characteristics
- Ferguson Group has an unbroken 10-year record of sales revenue and EBITDA growth and an attractive margin and return on capital profile
- Exposure to a large addressable market with attractive fundamentals and exciting long-term growth prospects
- Compelling organic growth pipeline leveraged to strong growth outlook in the offshore oil and gas sector
- Complementary to Brambles' existing presence in downstream oil and gas through CHEP Catalyst & Chemical Containers (CCC)

## Transaction overview

### Accretive to earnings and funded from existing facilities

- Enterprise value of £320 million<sup>1</sup> (US\$545 million<sup>2</sup>)
- 10.0x forecast EBITDA for the 12 months ended 31 December 2014
- Accretive to Underlying EPS<sup>3</sup> from FY15
- 100% debt funded from existing facilities
- Brambles' net debt/EBITDA ratio for FY15 expected to be in line with internal policy<sup>4</sup> on pro forma<sup>5</sup> basis
- Business to be integrated into Brambles' Containers segment
- Ferguson Group operational leadership retained under Brambles' ownership
- Completion expected by the end of September 2014

<sup>1</sup> Includes net debt of £53.8 million as at 30 June 2014.

<sup>2</sup> At 30 June 2014 foreign exchange rates.

<sup>3</sup> Brambles defines Underlying EPS as profit from continuing operations after finance costs and tax but before Significant Items, divided by the weighted average number of shares on issue during the period.

<sup>4</sup> Brambles' financial policy is to target a net debt to EBITDA ratio of less than 1.75 times.

<sup>5</sup> Adjusted to assume Brambles' ownership of Ferguson Group for the entirety of FY15.

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## Execution of our Containers strategy

### Containers' pro forma sales revenue now 9% of Brambles Group<sup>1</sup>

Containers segment					
Supply chain	General manufacturing	Automotive	Aerospace	Oil and gas	
				Downstream	Upstream
Business unit	CHEP Pallean Solutions	CHEP Automotive Solutions	CHEP Aerospace Solutions	CHEP Catalyst & Chemical Containers	Ferguson Group

<sup>1</sup> Contribution shown on a pro forma basis for the year ended 30 June 2014 based on Brambles' and Containers' segment sales revenue adjusted to include Ferguson Group's sales revenue translated to US dollars at 30 June 2014 foreign exchange rates.

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## Ferguson Group overview

### Strongly established business with attractive footprint

- Established in 1976 and headquartered in Aberdeen, UK
- Leading global provider cargo-carrying units to offshore oil and gas sector
- Fully certified fleet of ~18,500 assets
- Diversified customer base including the largest global offshore contractors and oil services companies
- Services global network of customers through five strategic hubs: UK, Norway, UAE, Singapore and Australia

**38 years**

Experience

**~220**

Employees

**>800**

Customers

**~18,500**

Assets

<sup>1</sup> Employee, customer and asset data as at 31 May 2014.

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## Ferguson Group financial performance

- Strong track record of sales and profit growth
  - Revenue CAGR of 11% (2009 – 2013)<sup>1</sup>
  - EBITDA CAGR of 8% (2009 – 2013)<sup>1</sup>
- Attractive margin and return on capital characteristics
- Strongly positioned for next phase of growth with increased bottom-line leverage following period of significant investment



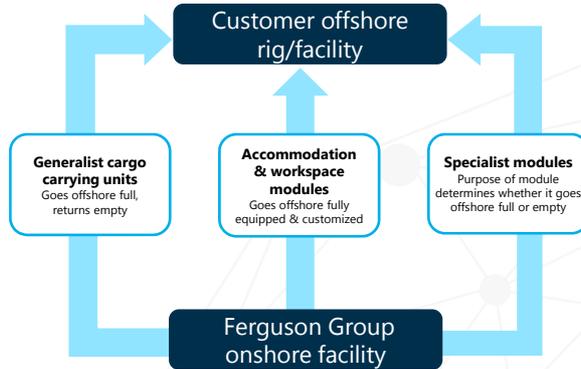
<sup>1</sup> Data reflects financial years ended 31 December.

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## Operating model

Containers critical to offshore oil and gas activity



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## Asset fleet

Standard & specialist containers for full range of applications

### Generalist cargo carrying units

~14,100 units

Extensive range of business critical containers used to transport equipment and supplies to and from offshore oil and gas rigs and platforms



66% of revenue<sup>1</sup>

### Specialist modules

~4,100 units

Units used for specific storage requirements including:

- Waste management
- Fluid management
- Temperature control



22% of revenue<sup>1</sup>

### Accommodation & workspace

~300 units

Temporary offices and accommodation used by personnel on offshore platforms and rigs



12% of revenue<sup>1</sup>

<sup>1</sup> Total revenue for the 12 months ended 31 December 2013.

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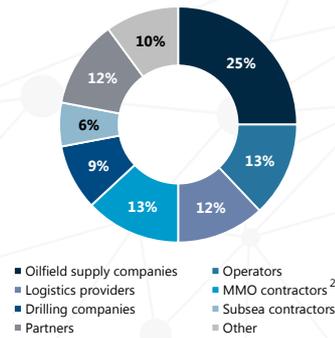
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## Highly diversified customer base

Trusted partner throughout the value chain

- Over 800 customers including some of the largest global offshore contractors and oil services companies
- No single customer accounted for more than 3.5% of revenue over the last four years<sup>1</sup>
- No single customer group accounted for more than 25% of revenues over the last four years<sup>1</sup>

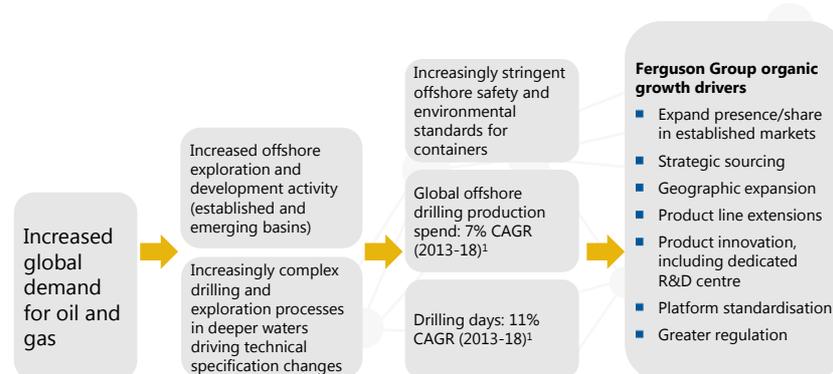
Revenue<sup>1</sup> contribution by customer group



<sup>1</sup> Cumulative revenue for the four years ended 31 December 2013.  
<sup>2</sup> Modification, maintenance and operation contractors.

## Ferguson Group industry drivers

Compelling organic growth profile



<sup>1</sup> Industry data obtained during Brambles' due diligence process.

## Summary

### A compelling growth opportunity

- Consistent with strategy of diversifying into high growth segments with pooling characteristics
- Strong, stable business with record of revenue and profit growth and attractive margin and return on capital profile
- Exposure to a large addressable market with attractive fundamentals and exciting long-term growth prospects
- Compelling organic growth pipeline leveraged to offshore oil and gas sector expansion
- Accretive to Underlying EPS<sup>1</sup> from FY15

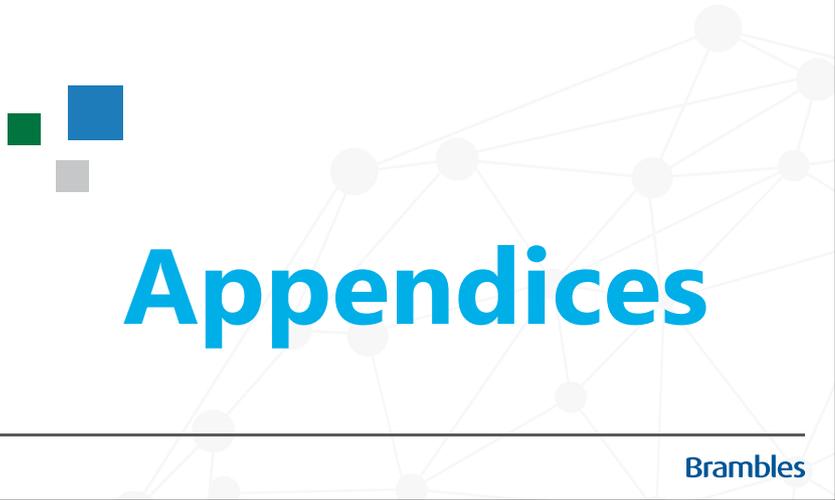
<sup>1</sup> Brambles defines Underlying EPS as profit from continuing operations after finance costs and tax but before Significant Items, divided by the weighted average number of shares on issue during the period.



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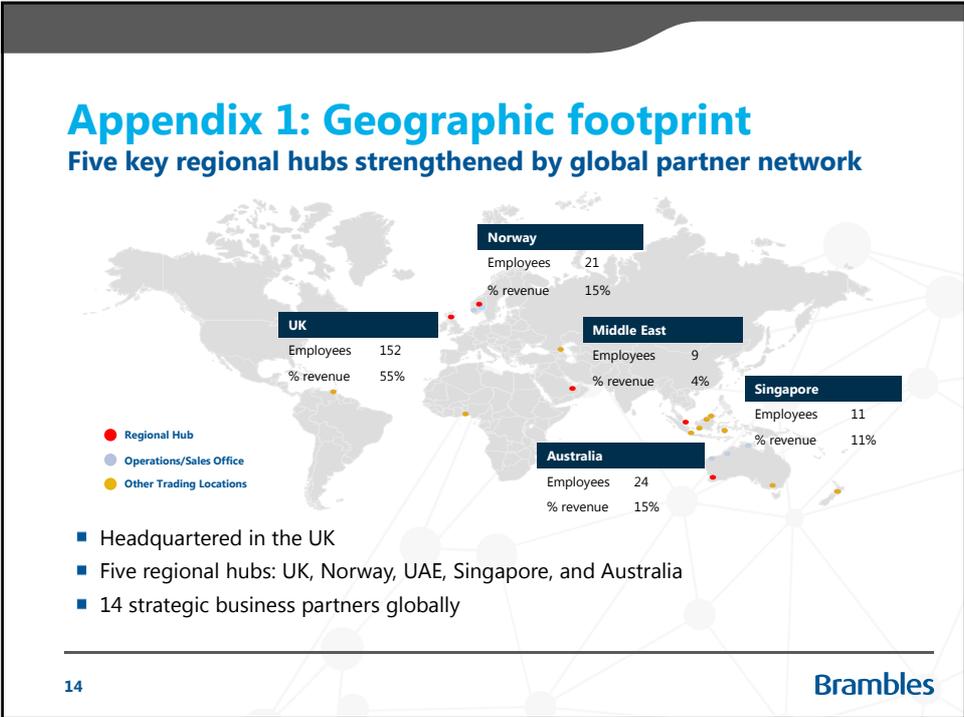
Acquisition  
of Ferguson  
Group

9 September 2014



# Appendices

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## Appendix 2: Asset fleet

### Offshore containers

#### Cargo baskets



**Function:** Transportation of a wide range of equipment required for offshore operations, including structural steel, valves, piping and drilling and completion tools

0.9m to 20m-long baskets

#### Mini/dry goods containers



**Function:** Transportation of consumables, supplies and chemicals

8.5m<sup>3</sup> to 38.3m<sup>3</sup> containers

#### Lifting frames



**Function:** Transportation of ISO containers and special cargo to and from offshore locations

6.4m long lifting frames

#### Half height containers



**Function:** Transportation of a wide range of equipment required for offshore operations, including scaffolding, piping, and structural steel

10m<sup>3</sup> to 34.4m<sup>3</sup> containers

#### Drum baskets



**Function:** Transportation of drums carrying chemicals or liquids to and from drilling rigs and platforms

3.7m & 4.2m-long baskets

#### Gas bottle racks



2 sizes available:  
(i) 1.2m x 1.2m x 2.2m;  
(ii) 1.5m x 1.6m x 2.5m

**Function:** Transportation of industrial gases for welding, construction, diving etc.

#### Open-top containers



**Function:** Transportation of steel structures and large components such as valves

8.5m<sup>3</sup> to 38.3m<sup>3</sup> containers

#### Tubular transportation frames



**Function:** Transportation of drilling and production related tubular products

## Appendix 2: Asset fleet (cont'd)

### Fluid, temperature control and waste management modules

#### Fluid management

##### Offshore chemical/heli-fuel tanks



**Function:** Transportation of drilling and production related chemicals/helicopter fuel to and from drilling rigs and platforms

2,900 to 4,550 litres capacity

##### Cryogenic tanks



**Function:** Transportation of chemicals to and from drilling rigs and platforms

10 feet in length, 7,900 litres capacity

##### Standard ISO Tanks



**Function:** Transportation of chemicals, powders, gases, and fuel

24,000/25,000 litre capacity

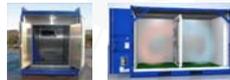
#### Temperature control

##### Temperature control units



**Function:** Refrigeration and freezing solutions for offshore storage and transportation

2.5m/3m high cube containers



6m containers with dual-zone temperature settings

#### Waste management

##### Waste transportation units



**Function:** Secure transportation of waste materials, with cargo nets/slides, minimising risk of environmental contamination

3m<sup>3</sup> lidded skips/7.3m<sup>3</sup> waste skips

##### Waste Skips



**Function:** Transportation of waste products produced in the offshore environment – not hazardous chemicals

Standard Boat skips, cargo skips, front-end loader skips

##### Closed mud skips/drill cutting bins



**Function:** Transportation of drilling mud cuttings to and from the drilling rigs and platforms

0.9m to 20m long baskets

## Appendix 2: Asset fleet (cont'd)

### Accommodation and workspace modules

**Accommodation modules**



**Description:**  
Closed unit with conventional door access and multiple optional interior configurations



**Function:**  
Provides safe living accommodation for personnel in an offshore environment

*6m/7.6m/10.3m in length*




Accommodation and workspace modules are linkable through a central access space to form a complete complex and are stackable up to four modules high to minimize footprint on deck

**Norsok-compliant workspace modules**



**Description:**  
Closed unit built to the Norsok specifications including conventional door access and multiple optional interior configurations



**Function:**  
Creates a safe area within a hazardous area for offshore personnel to carry out operational activities on the Norwegian Continental Shelf

*4m/4.8m/6m in length (classified for Zone 2 hazardous area)*

**Workshop units (Zone 2)**



**Description:**  
Closed unit with conventional door access and multiple optional interior configurations



**Function:**  
Provides safe, designated space for offshore personnel to carry out operational activities

*3m/6m in length (classified for Zone 2 hazardous area)*

**Workspace modules**



**Description:**  
Closed unit with conventional door access and multiple optional interior configurations



**Function:**  
Provides safe, designated space for offshore personnel to carry out routine work-orientated tasks

*4m to 10.3m in length (multiple variants)*

## Disclaimer

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