



11 August 2017

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

*Via electronic lodgement*

Dear Sir / Madam

**BRAMBLES LIMITED ANNOUNCES INTENTION TO DIVEST ITS RECYCLED PALLETS  
BUSINESS IN NORTH AMERICA; NON-CASH IMPAIRMENT OF US\$243.8 MILLION TO  
BE RECOGNISED IN FY17 ACCOUNTS**

Please see the attached announcement relating to the above.

Yours faithfully  
**Brambles Limited**

**Robert Gerrard**  
Group Company Secretary

## **Brambles announces its intention to divest recycled pallets business in North America; non-cash impairment of US\$243.8 million to be recognised in FY17**

**Sydney – 11 August 2017:** Following the completion of a strategic review, Brambles today announced its decision to divest its non-core North American recycled whitewood pallet business, CHEP Recycled.

CHEP Recycled provides a network of pallet management services in the USA and Canada that supplies and recycles over 90 million primarily whitewood pallets annually. Brambles acquired its US recycled pallet business as part of the global acquisition of IFCO Systems in March 2011. The Canadian recycled whitewood business, Paramount Pallet, was acquired in November 2011.

Brambles' CEO, Graham Chipchase said: "Our strategic review highlighted that CHEP Recycled is not a core part of Brambles and that the business has not delivered the financial returns we require to generate sustainable shareholder value. In addition, under new ownership, CHEP Recycled could be operated with a lower cost structure, providing it with a competitive advantage and access to additional revenue opportunities not currently available. For these reasons, we believe that CHEP Recycled's overall returns and growth outlook are more likely to improve under alternative ownership."

Mr Chipchase added: "Going forward, we will focus on Brambles' value proposition as the world-leading provider of supply-chain logistics solutions based on the provision of reusable pallets, crates and containers. With this in mind, we will retain the CHEP Recycled facilities that assist with the repair and recovery of our pooled pallets, ensuring we keep the synergies achieved in our US pooled pallet business to date."

### **Process details**

Brambles is seeking to divest the 80 plants and TPM (total pallet management) sites which currently service its recycled pallet operations. As part of the transaction, approximately 2,200 employees who work at these sites will transfer to new ownership on completion of the sale.

Brambles will retain the 73 pooled pallet service centres and TPM sites currently managed by CHEP Recycled, with approximately 1,400 employees remaining with the Group to manage these sites.

Brambles will inform the market of any material developments in the divestment process.

### **Impairment and accounting implications**

CHEP Recycled will be classified as "assets held for sale" and recognised in discontinued operations in Brambles' FY17 accounts, which are scheduled for publication on 21 August 2017.

Brambles expects to declare a US\$243.8 million non-cash impairment of the CHEP Recycled assets, which will be recognised in the FY17 accounts as a Significant Item in discontinued operations.

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### **For further information, please contact:**

#### **Investors**

Sean O'Sullivan  
Vice President, Investor Relations  
+61 2 9256 5262  
+61 412 139 711  
[sean.osullivan@brambles.com](mailto:sean.osullivan@brambles.com)

Raluca Chiriacescu  
Director, Investor Relations  
+61 2 9256 5211  
+61 427 791 189  
[raluca.chiriacescu@brambles.com](mailto:raluca.chiriacescu@brambles.com)

#### **Media**

James Millard  
Director, Corporate Communications  
Group & Asia Pacific  
+61 414 777 680  
[james.millard@brambles.com](mailto:james.millard@brambles.com)

**Brambles Limited** (ASX:BXB) is a supply-chain logistics company operating primarily through the CHEP and IFCO brands. Brambles enhances performance for customers by helping them transport goods through their supply chains more efficiently, sustainably and safely. The Group's primary activity is the provision of reusable unit-load equipment such as pallets, crates and containers for shared use by multiple participants throughout the supply chain, under a model known as "pooling". Brambles primarily serves the fast-moving consumer goods (e.g. dry food, grocery, and health and personal care), fresh produce, beverage, retail and general manufacturing industries, counting many of the world's best-known brands among its customers. The Group also operates a specialist container logistics business serving the automotive sector. Brambles has its headquarters in Sydney, Australia, but operates in more than 60 countries, with its largest operations in North America and Western Europe. Brambles employs more than 14,500 people and owns more than 550 million pallets, crates and containers through a network of more than 850 service centres. For further information, please visit [www.brambles.com](http://www.brambles.com).

**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", "will", "should", 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. Past performance cannot be relied on as a guide to future performance.