



24 August 2018

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

Via electronic lodgement

Dear Sir or Madam

Brambles announces intention to separate its IFCO RPC business

Enclosed is an announcement regarding the above.

Yours faithfully
Brambles Limited

Robert Gerrard
Group Company Secretary

Brambles announces intention to separate its IFCO RPC business

Sydney – 24 August 2018: Brambles has today announced that following a strategic review of its portfolio, it intends to pursue a separation of its IFCO RPC business through a demerger. To ensure optimal shareholder value is achieved, a sale of IFCO will also be evaluated. The separation of IFCO from Brambles will optimise shareholder outcomes and better position both businesses to realise a range of growth and value creating opportunities.

The strategic review assessed the business and operating models, financial and return characteristics, growth outlook and associated capital requirements of both IFCO and CHEP and reached the following conclusions:

- Although both CHEP and IFCO operate pooling models, they are distinct businesses with different financial profiles and customer propositions;
- There is no meaningful operational overlap or customer-related synergies between CHEP and IFCO that would be lost as a result of a separation;
- IFCO's full value potential is unlikely to be realised under Brambles' current capital allocation strategy which inherently prioritises the higher returning growth opportunities available in CHEP;
- A stand-alone IFCO will be a market leading, high growth RPC pooling business with an attractive financial profile. Separation will also provide increased flexibility to pursue and optimally fund value accretive growth opportunities; and
- Brambles ex-IFCO will continue to be strongly positioned to lead the platform pooling industry in customer service, innovation and sustainability. It will accelerate new areas of value by solving customer and retailer challenges in the supply chain, while continuing to deliver mid-single digit revenue growth and improved margins, returns and cash flows.

Brambles' Chairman, Stephen Johns said, "The separation is consistent with Brambles' core strategic priorities and will deliver a value creation opportunity for shareholders. It will provide them with focused investments in two world-class global businesses."

Brambles' CEO, Graham Chipchase said: "Brambles will remain the clear global leader in platform pooling, a highly attractive industry with significant scope for sustained growth, substantial benefits from established scale, and highly attractive returns. The business will be positioned to generate continued strong revenue growth within its core markets, while also being focused on additional opportunities in emerging markets, first and last mile solutions, and from BXB Digital's investment in technology and innovation through the supply chain."

Mr. Chipchase added: "IFCO is a strong business and a global leader in RPCs with a large addressable market, strong financial profile and clear opportunities to capitalise on growth in the sector. Since its acquisition of IFCO, Brambles has made substantial investments and has grown the business to the scale, market share and competitive position it holds today. It is well positioned for its future as an independent company with a singular focus."

As part of the separation, Brambles will also undertake an evaluation of its capital structure to ensure it is optimal for supporting future growth and shareholder returns while still maintaining a strong balance sheet and credit profile.

Further information on the separation will be communicated in due course, including the listing location for IFCO. Any transaction is also subject to final Board, regulatory and shareholder approvals. If approved, the transaction would be expected to be completed in the 2019 calendar year.

Brambles post the proposed separation

Brambles' platforms form the invisible backbone of global supply chains, primarily serving customers in the fast-moving consumer goods, fresh produce, beverage, retail and general manufacturing industries. The world's largest brands trust Brambles to help them transport life's essentials more efficiently, safely and sustainably.

Brambles' platforms include pallets (timber, plastic and display), RPCs (in Australia, New Zealand and South Africa), specialised containers as well as unit-load containment and safe handlings equipment.

IFCO post the proposed separation

IFCO is the global-leading provider of RPC pooling solutions. IFCO's RPCs are used primarily to transport fresh products from producers to leading grocery retailers primarily in Europe, Asia and the Americas. IFCO's solutions help retailers and producers reduce costs and increase sales by maximising efficiency, product quality, sustainability and safety throughout their supply chains.

Further Information

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Brambles Limited (ASX:BXB): Under the CHEP and IFCO brands Brambles helps move more goods to more people, in more places than any other organisation on earth. Its pallets, crates and containers form the invisible backbone of the global supply chain and the world's biggest brands trust us to help them transport their goods more efficiently, sustainably and safely. As pioneers of the sharing economy, Brambles created one of the world's most sustainable logistics businesses through the share and reuse of its platforms 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. The Group employs approximately 12,000 people and own approximately 610 million pallets, crates and containers through a network of more than 850 service centres. Brambles operates in more than 60 countries with its largest operations in North America and Western Europe. For further information, please visit www.brambles.com