



## Annual General Meeting



22 October 2013

**Graham Kraehe AO**  
**Chairman**



*A poll is being held on all resolutions at this meeting. If leaving early, place completed voting cards in the ballot boxes by the exit doors.*

## FY13 results summary

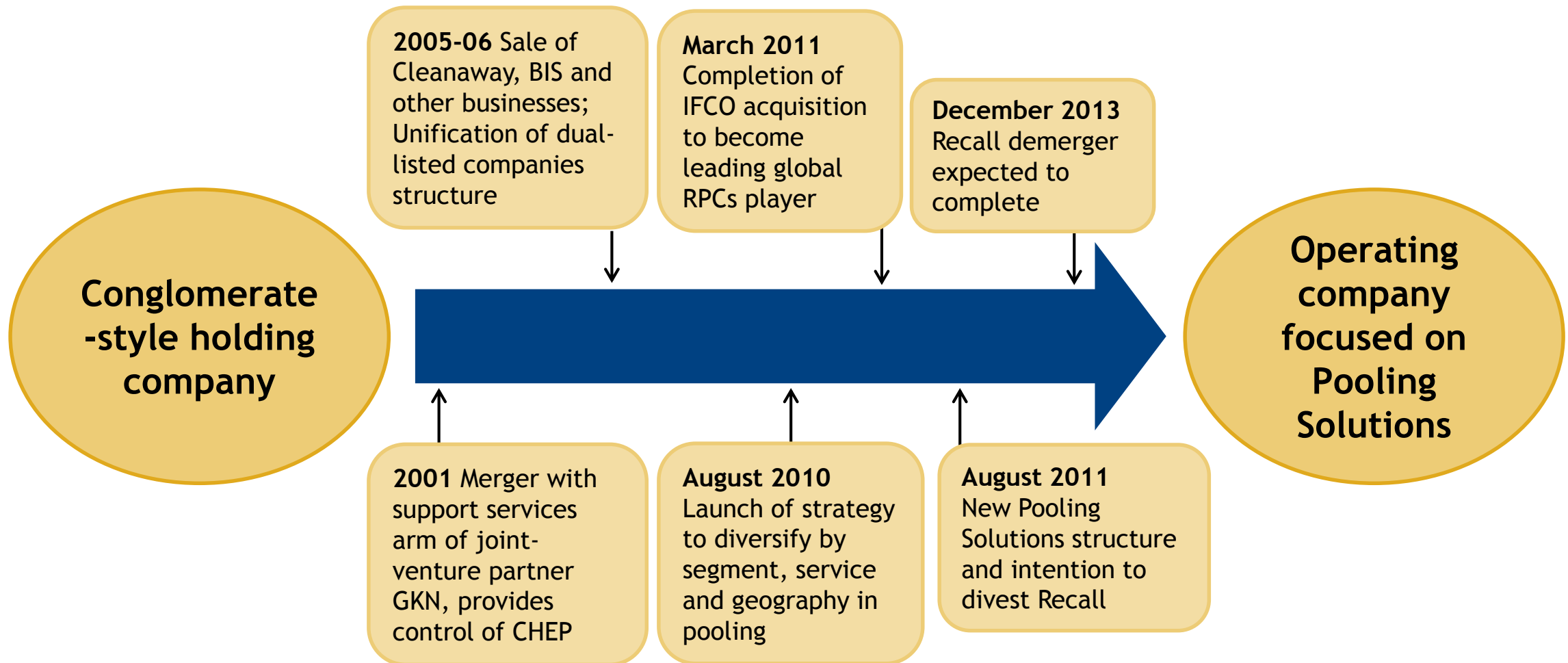
<b>Sales revenue</b>		<b>5%</b>	<b>US\$5.89 billion</b>
<b>Underlying Profit</b>		<b>5%</b>	<b>US\$1.06 billion</b>

*Note: data shown is for total Brambles, including Recall*

## Safety and Zero Harm

- Tragically, there were two fatalities during the year
- Board continues to incentivise management to achieve Zero Harm
- The only acceptable outcome is zero workplace injuries and zero fatalities
- Board satisfied specific actions have been taken in response to fatalities
- Progress in other aspects of Zero Harm policy
- Reduction in the Brambles Injury Frequency Rate

# Transformation of Brambles



## Recall demerger update and rationale

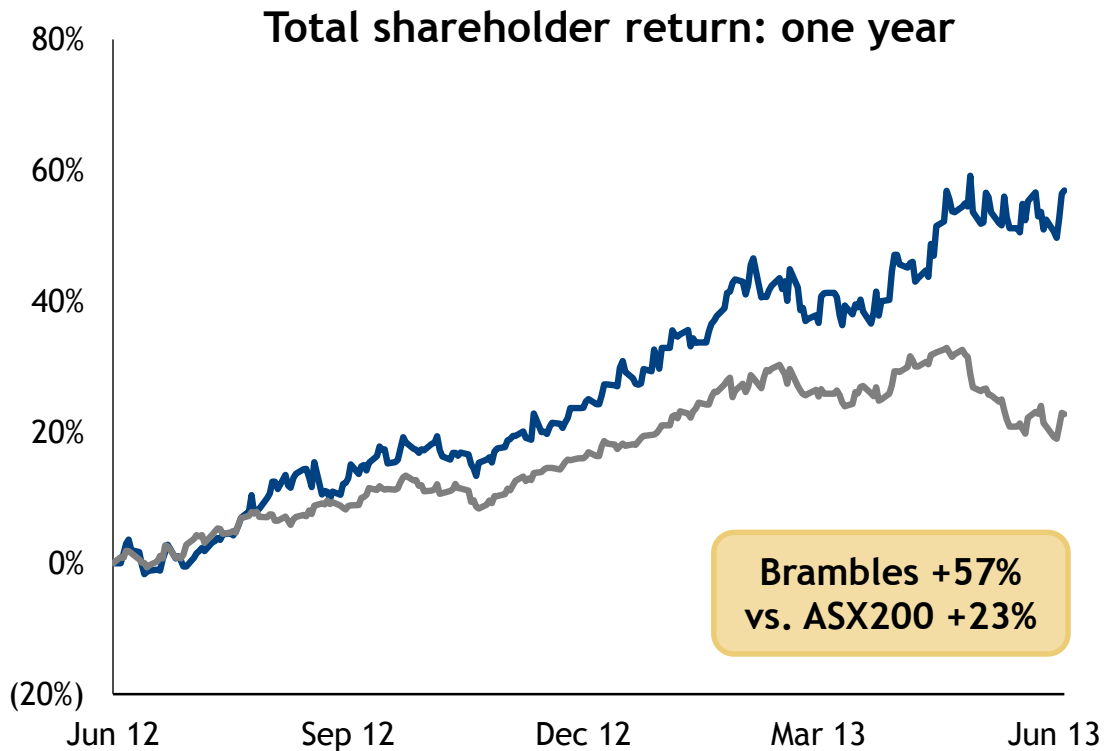
- Scheme book to be distributed in coming days
- Board believes strongly that demerger will:
  - Deliver sustainable value creation opportunities for shareholders
  - Offer greater certainty of execution compared with other separation alternatives
  - Enable Brambles to focus on Pooling Solutions business (CHEP and IFCO)
- Demergers have a record of creating value for shareholders of ASX-listed companies
- Shareholders will own the same assets after the demerger as before, just under a different structure

## Dividend outcomes and policy

- Total FY13 dividend of 27 Australian cents per share, up one cent
- Sustainable growth in dividends in context of funding needs
- Intention to retain progressive dividend policy post demerger
  - Subject to unforeseen circumstances
  - Board intends to keep annual dividend of at least 27.0 Australian cents per share
  - Shareholders also entitled to Recall dividends post-demerger
- Details of Recall dividend policy to be in scheme book



# Positive share-market performance



— Brambles — S&P/ASX200 Accumulation Index

**Tom Gorman**  
Chief Executive Officer



## First-quarter trading update

- Continued execution of strategy driving growth
- Pooling Solutions sales revenue up 7% to US\$1.3 billion
  - Rollover benefit of prior-year business wins in Pallets Americas
  - Continued growth in global RPCs business
  - Growth in Containers, including from Pallecon acquisition
- Reiteration of guidance for FY14 (Brambles, excluding Recall)
  - Constant currency sales revenue growth in Pallets, RPCs and Containers
  - Underlying Profit of US\$930 million to US\$965 million at 30 June 2013 foreign exchange rates

## **Recall: solid business; strong financial profile**

- Positive long-term financial performance trends
- Consistent increases in volumes/revenue from document management
- FY13: reduced transactional activity, weakness in paper shredding
- Demerger will drive value for shareholders

## Three horizons for growth

	Characteristics	Examples
<b>Horizon one</b>	<ul style="list-style-type: none"> <li>• Strongly profitable today</li> <li>• Seeking to drive greater efficiency and get closer to customers</li> <li>• Diversifying our service offering</li> </ul>	<ul style="list-style-type: none"> <li>• Developed market Pallets</li> </ul>
<b>Horizon two</b>	<ul style="list-style-type: none"> <li>• Incremental investment already strongly profitable</li> <li>• Emphasis on investing to grow market share</li> <li>• Large unpenetrated opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Most of:               <ul style="list-style-type: none"> <li>- RPCs business</li> <li>- IBCs business</li> <li>- Emerging markets Pallets</li> </ul> </li> </ul>
<b>Horizon three</b>	<ul style="list-style-type: none"> <li>• Compelling opportunity</li> <li>• Longer time-scale to deliver returns in excess of cost of capital</li> </ul>	<ul style="list-style-type: none"> <li>• CHEP Aerospace Solutions</li> <li>• Operations in China and India</li> </ul>

## Determined to avoid complacency

- Global economy unlikely to improve significantly in short to medium term
- Onus to keep growing business through expanding market share
- Drive themes around customer-centricity and innovation
- Find new growth opportunities
- Opportunities to improve cost base and overhead structure



## Annual General Meeting

22 October 2013

**Luke Mayhew  
Chairman of the  
Remuneration  
Committee**





## What I will cover

- Brambles' executive remuneration structure
- Outcomes for FY13
- How we assess pay globally
- Recall demerger
- MyShare update

# Executive remuneration policy

## Objectives

- Attract and retain high-calibre executives
- Incentivise executives to achieve challenging performance levels
- Reward successful business strategy implementation
- Align executive rewards with creation of shareholder value

## Senior executive remuneration structure

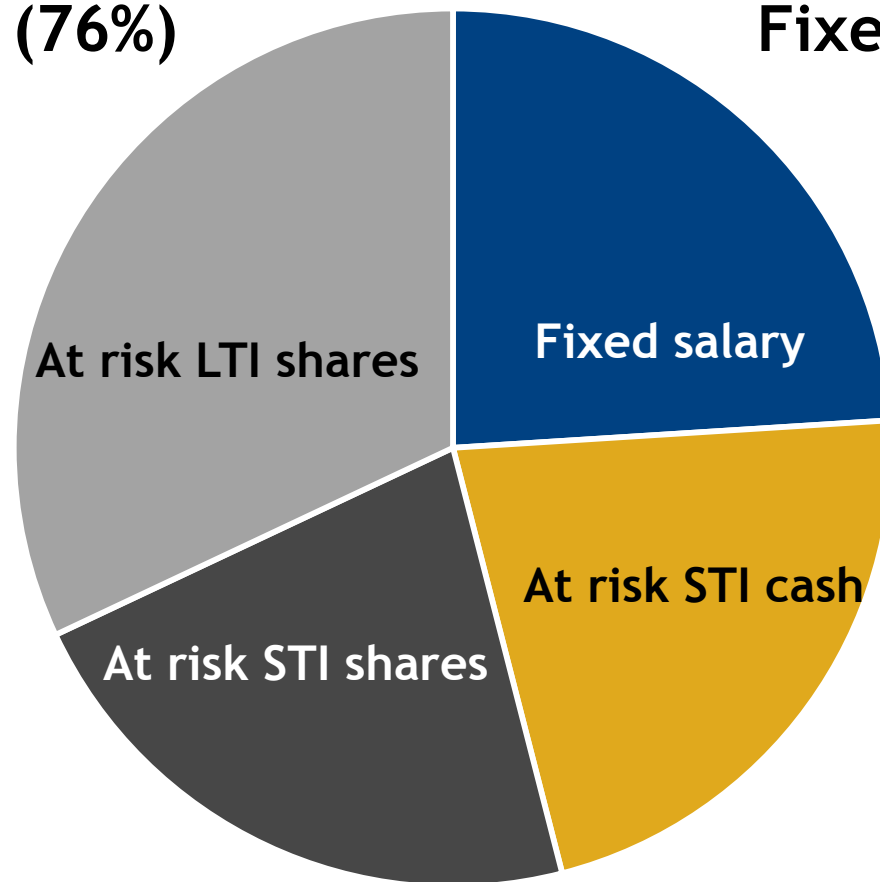
### At risk remuneration (76%)

#### At risk LTI shares (32%)

Vesting over three years, performance hurdles for shares related to TSR and sales revenue/BVA

#### At risk STI shares (22%)

Deferred for two years to provide retention and ensure continued alignment with shareholders



### Fixed remuneration (24%)

#### Salary

Superannuation, car, healthcare, etc

#### At risk cash (22%)

Annual cash bonus, based on achieving BVA, NPAT, cash flow and personal objectives

## Remuneration outcomes and decisions

- Modest salary increases for senior executives for FY13
  - Where roles remained unchanged (including the CEO) the increase was 0% to 3%
- Short-term bonus and deferred share awards reflected company performance
- Long-term incentives (LTIs) vested at 65% in FY13
  - Total shareholder return (TSR) was more than 30% above the median of the ASX100

## Remuneration policy: global framework

- Roles classified into specific bands using globally recognised methodology
- Pay ranges for each band determined based on local market pay levels
- Provides strong framework for non-discriminatory pay practices
  - Remuneration Committee receives annual reporting on remuneration by gender to enable it to monitor remuneration equity across the Group

## Proposed Recall remuneration policy

- Follows market practice and benchmarks in Australia and USA
- Outstanding Brambles awards transition into Recall; LTI vesting delayed until 2016
- Initial modest share award to line managers
- Brambles targets will be recalibrated excluding Recall
- Details in scheme book

## Remuneration package: Recall Group President

- Doug Pertz recruited in April 2013 following an extensive global search
  - Needed an executive with experience to lead a demerged entity
  - Complex as Brambles was still considering options for Recall at time of recruitment
  - Needed to recognise the substantial financial opportunity given up
  - Details of package set out on pages 39 and 40 of the Annual Report

## Remuneration package: Doug Pertz

- Post demerger
  - CEO salary of US\$1.2M plus standard benefits
  - Market benchmarked incentive (STI and LTI) package
  - Standard Notice Period
- One-off grant of share awards in Recall Holdings to the value of US\$6M
  - Mixture of service and performance based
  - Vesting spread over two years after demerger
  - Shares have to be held until April 2017
- Further details in scheme book



## MyShare update

- Since launch in 2008, more than 3,500 employees in 40 countries have elected to participate
- Recent acquisition Pallecon had 46% take-up in first year
- MyShare employees as a group equivalent to 25th largest shareholder
- At end March 2013 Brambles issued 500,941 matching shares for the two-year period from March 2011

## **Brambles 2014**

- No proposed changes to remuneration policy for 2014
- Financial targets for 2014 are demanding and will require strong performance to achieve similar or better levels of total remuneration



## Annual General Meeting

22 October 2013

## How to ask a question

- Go to a designated microphone
- Show your yellow voting card or red non-voting card
- Give the attendant your name
- Wait until you have been introduced to the meeting



## Annual General Meeting

22 October 2013

# Voting procedure

Discretionary proxy votes given to Chairman will be cast in favour of each item of business

**POLL VOTING**

Please mark the appropriate box below. Where votes are to be cast in different ways, the number of votes should be marked in the appropriate boxes

	For	Against	Abstain
<b>Resolution 2</b> To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> To re-elect Mr Anthony Grant Froggatt to the Board of Brambles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> To re-elect Mr David Peter Gosnell to the Board of Brambles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b> To re-elect Mr Christopher Luke Mayhew to the Board of Brambles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## **Item 1**

### **As an ordinary resolution**

To consider and receive the Financial Report, Directors' Report and Auditors' Report for Brambles and the Group for the year ended 30 June 2013

## **Item 2**

### **As an ordinary resolution**

To adopt the Remuneration Report for Brambles and the Group for the year ended 30 June 2013



## Proxies and direct votes received

### Resolution 2

To adopt the Remuneration Report

	For	Discretionary	Against	Abstain
Proxy votes	1,057,275,913	6,418,247	35,376,807	18,521,477
Direct votes	23,143,216	-	1,826,859	248,101
<b>Total</b>	<b>1,080,419,129</b>	<b>6,418,247</b>	<b>37,203,666</b>	<b>18,769,578</b>

# Mark your voting card

For      Against      Abstain

## Resolution 2

To adopt the Remuneration Report

POLL VOTING			
Please mark the appropriate box below. Where votes are to be cast in different ways, the number of votes should be marked in the appropriate boxes			
	For	Against	Abstain
<b>Resolution 2</b> To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> To re-elect Mr Anthony Grant Froggatt to the Board of Brambles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> To re-elect Mr David Peter Gosnell to the Board of Brambles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b> To re-elect Mr Christopher Luke Mayhew to the Board of Brambles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Re-election of Tony Froggatt



## **Item 3**

**As an ordinary resolution**

That Mr Anthony Grant Froggatt be re-elected to the Board of Brambles

## Proxies and direct votes received

### Resolution 3

To re-elect Mr Anthony Grant Froggatt to the Board of Brambles

	For	Discretionary	Against	Abstain
Proxy votes	1,107,409,500	6,417,084	2,074,433	1,752,253
Direct votes	24,741,532	-	378,922	250,299
<b>Total</b>	<b>1,132,151,032</b>	<b>6,417,084</b>	<b>2,453,355</b>	<b>2,002,552</b>

# Mark your voting card

For

Against

Abstain

## Resolution 3

To re-elect Mr Anthony Grant Froggatt  
to the Board of Brambles

POLL VOTING			
Please mark the appropriate box below. Where votes are to be cast in different ways, the number of votes should be marked in the appropriate boxes			
	For	Against	Abstain
<b>Resolution 2</b> To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> To re-elect Mr Anthony Grant Froggatt to the Board of Brambles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> To re-elect Mr David Peter Gosnell to the Board of Brambles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b> To re-elect Mr Christopher Luke Mayhew to the Board of Brambles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Re-election of  
David Gosnell



## **Item 4**

**As an ordinary resolution**

That Mr David Peter Gosnell be re-elected to the Board of Brambles



## Proxies and direct votes received

### Resolution 4

To re-elect Mr David Peter Gosnell to the Board of Brambles

	For	Discretionary	Against	Abstain
Proxy votes	1,089,949,708	6,426,149	19,541,421	1,735,992
Direct votes	25,045,178	-	262,956	230,141
<b>Total</b>	<b>1,114,994,886</b>	<b>6,426,149</b>	<b>19,804,377</b>	<b>1,966,133</b>

# Mark your voting card

For      Against      Abstain

## Resolution 4

To re-elect Mr David Peter Gosnell to the Board of Brambles

**POLL VOTING**

Please mark the appropriate box below. Where votes are to be cast in different ways, the number of votes should be marked in the appropriate boxes

	For	Against	Abstain
<b>Resolution 2</b> To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> To re-elect Mr Anthony Grant Froggatt to the Board of Brambles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> To re-elect Mr David Peter Gosnell to the Board of Brambles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b> To re-elect Mr Christopher Luke Mayhew to the Board of Brambles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Re-election of  
Luke Mayhew



## **Item 5**

**As an ordinary resolution**

That Mr Christopher Luke Mayhew be re-elected to the Board of Brambles

## Proxies and direct votes received

### Resolution 5

To re-elect Mr Christopher Luke Mayhew to the Board of Brambles

	For	Discretionary	Against	Abstain
Proxy votes	1,108,581,622	6,466,651	838,054	1,766,943
Direct votes	24,981,766	-	321,942	234,011
<b>Total</b>	<b>1,133,563,388</b>	<b>6,466,651</b>	<b>1,159,996</b>	<b>2,000,954</b>

# Mark your voting card

For

Against

Abstain

## Resolution 5

To re-elect Mr Christopher Luke Mayhew to the Board of Brambles

POLL VOTING			
Please mark the appropriate box below. Where votes are to be cast in different ways, the number of votes should be marked in the appropriate boxes			
	For	Against	Abstain
<b>Resolution 2</b> To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<b>Resolution 5</b> To re-elect Mr Christopher Luke Mayhew to the Board of Brambles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## Annual General Meeting

22 October 2013

The poll has  
now closed



Please deposit  
voting cards at exit



## Annual General Meeting

22 October 2013

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