

DIRECTORS' REPORT - OTHER INFORMATION

The information presented in this Report relates to the consolidated entity, the Brambles Group, consisting of Brambles Limited and the entities it controlled at the end of, or during the year ended 30 June 2014 (Year).

PRINCIPAL ACTIVITIES

The principal activities of the Group during the Year were:

- The provision of pooling solutions services, of which Brambles is a leading global provider; and
- Up to 18 December 2013, information management services.

The Group's pooling solutions services comprised three operating business segments: Pallets, RPCs and Containers.

The Pallets business, carried out under the name CHEP, focusses on the outsourced management of returnable pallets, which it issues, collects and reissues through a network of service centres in multiple countries. Manufacturers, producers, distributors and retailers use these pallets and containers to transport their products safely and efficiently through the supply chain. In addition, Pallets provides supply chain optimisation and transport management services and, in the USA provides a national network of pallet management services, to sort, repair and reissue pallets.

The RPC business, carried out under the name IFCO in Europe, North and South America and CHEP in Australia, New Zealand and South Africa, focusses on the outsourced management of reusable plastic containers globally, which are used primarily to transport fresh produce from producers to grocery retailers.

The Containers business provides intermediate bulk, automotive and chemical and catalyst containers to its customers. It also operates an airline container pooling and repair business and a non-flight critical aviation equipment maintenance and repair business called CHEP Aerospace.

The information management services business, carried out under the name of Recall, is a global business and comprises the management of information, providing secure storage, digitisation, retrieval and destruction of information in multiple media formats. Recall was demerged from the Group with effect from 18 December 2013 (see the Significant Changes in State of Affairs section below).

Other than the demerger of the Recall business, there were no significant changes in the nature of the Group's principal activities during the Year.

REVIEW OF OPERATIONS AND RESULTS

A review of the Group's operations and a review of the results of those operations are given in the Letter from the Chairman & the CEO on Page 2 and the Operating & Financial Review on Pages 3 to 15.

Information about the financial position of the Group is included in the Operating & Financial Review on Pages 3 to 15 and in the Five-Year Financial Performance Summary on Page 125.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 2 July 2013, Brambles announced the intention to demerge its information management business, Recall, by listing a new holding company, Recall Holdings Limited, on the ASX. The demerger of the Recall business was completed on 18 December 2013 and Brambles does not retain any shareholding in Recall Holdings Limited.

On 5 June 2014, Brambles announced the pricing and allocation of €500 million European medium-term note maturing in 10 years, with settlement occurring on 12 June 2014.

Other than the above, there were no significant changes to the state of affairs of the Group for the Year.

MATTERS SINCE THE END OF THE FINANCIAL YEAR

The Directors are not aware of any matter or circumstance that has arisen since 30 June 2014 up to the date of this Report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

BUSINESS STRATEGIES AND PROSPECTS FOR FUTURE FINANCIAL YEARS

The business strategies and prospects for future financial years, together with likely developments in the operations of the Group in future financial years and the expected results of those operations known at the date of this Report, are set out in the Letter from the Chairman & the CEO at Page 2 and in the Operating & Financial Review on Pages 3 to 15. Further information in relation to such matters has not been included because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

DIVIDENDS

The Directors have declared a final dividend for the Year of 13.5 Australian cents per share, which will be 30% franked. The dividend will be paid on 9 October 2014 to shareholders on the register on 12 September 2014.

On 10 April 2014, an interim dividend for the Year was paid, which was 13.5 Australian cents per share and 30% franked. On 10 October 2013, a final dividend for the year ended 30 June 2013 was paid, which was 13.5 Australian cents per share and 30% franked.

The unfranked component of each dividend paid during the Year was conduit foreign income. This means that no Australian dividend withholding tax was payable on the dividends that Brambles paid to non-resident shareholders.

DIRECTORS

The name of each person who was a Director of Brambles Limited at any time during, or since the end of the Year, and the period for which they served as a Director during the Year, is set out below. The qualifications, experience and special responsibilities for Directors are set out on Pages 16 to 17.

Christine Cross	28 January 2014 to date
Douglas Gordon Duncan	1 July 2013 to date
Anthony Grant Froggatt	1 July 2013 to date
Thomas Joseph Gorman	1 July 2013 to date
David Peter Gosnell	1 July 2013 to date
Tahira Hassan	1 July 2013 to date
Stephen Paul Johns	1 July 2013 to date
Sarah Carolyn Hailes Kay	1 July 2013 to date
Graham John Kraehe AO	1 July 2013 to date ⁴⁵
Brian James Long	1 July 2014 to date
Christopher Luke Mayhew	1 July 2013 to 30 June 2014
Brian Martin Schwartz AM	1 July 2013 to 30 June 2014

⁴⁵ Graham Kraehe will retire as a Director on 30 September 2014.

DIRECTORS' REPORT - OTHER INFORMATION - CONTINUED

SECRETARY

Details of the qualifications and the experience of the Company Secretary of Brambles Limited are as follows: Robert Nies Gerrard joined Brambles in 2003 as Senior Counsel and was appointed Group Company Secretary in February 2008. Prior to joining Brambles, he was General Counsel to, and Company Secretary of, Roc Oil Company Limited; Group Legal Manager, Cairn Energy plc; General Counsel to, and Company Secretary of, Command Petroleum Limited; and a solicitor with Allen Allen & Hemsley. He holds a Masters of Law (LLM) from the University of Sydney and Bachelor of Science (BSc) and Bachelor of Law (LLB) degrees from the University of New South Wales. He is a Solicitor of the Supreme Court of New South Wales.

INDEMNITIES

Indemnities provided to Directors and officers of Brambles Limited are detailed in Note 36 of the Financial Report on Page 119. Insurance policies are in place to cover Directors and executive officers, however, the terms of the policies prohibit disclosure of the details of the insurance cover and the premiums paid.

ENVIRONMENT

Brambles' Environmental Policy is set by the Board. It applies in all countries where Brambles operates. The Environmental Policy provides that Brambles will act with integrity and respect for the community and the environment and be committed to sound environmental practice in its daily operations. It is a minimum requirement that all Brambles operations comply with all relevant environmental laws and regulations. Additionally, employees are expected to care for the environment by adopting a specified set of environmental principles. Every business unit must ensure that those principles are adhered to, including in countries that may not yet have enacted laws for the protection of the environment. Brambles has set environmental performance targets. Reporting of performance against those targets is contained in Brambles' 2014 Sustainability Review which will be available on the Brambles' website in October 2014.

DIRECTORS' MEETINGS

Details of the Board committee memberships are given in the Corporate Governance Statement on Pages 21, 25 and 29. The following table shows the actual Board and committee meetings held during the Year and the number attended by each Director or committee member.

Directors	Board meetings											
	Regular		Special		Special Committees		Audit Committee meetings		Remuneration Committee meetings		Nominations Committee meetings	
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
C Cross	4	5	-	-	-	-			1	1		
D G Duncan	10	11	2	2	-	-	4	5				
A G Froggatt	11	11	2	2	2	2			5	5	5	5
T J Gorman	11	11	2	2	4	4						
D P Gosnell	11	11	2	2	1	1	5	5				
T Hassan	10	11	2	2	-	-			4	5		
S P Johns	11	11	2	2	5	5	5	5			5	5
S C H Kay	11	11	2	2	1	1	5	5				
G J Kraehe AO	11	11	2	2	5	5			5	5	5	5
C L Mayhew	9	11	1	2	-	-			5	5		
B M Schwartz AM	11	11	2	2	2	2			5	5		

^(a) The number of meetings attended during the period the Director was a member of the Board or relevant committee which the Director was eligible to attend.

^(b) The number of meetings held while the Director was a member of the Board or relevant committee which the Director was eligible to attend.

DIRECTORS' REPORT - OTHER INFORMATION - CONTINUED

DIRECTORS' DIRECTORSHIPS OF OTHER LISTED COMPANIES

The following lists the directorships held by the Directors in listed companies (other than Brambles Limited) since 30 June 2011.

Director	Listed company	Period directorship held
C Cross	Kathmandu Holdings Limited	2012 to current
	Next plc	2005 to May 2014
	Sonae Group plc	2009 to current
	Woolworths Limited	2012 to current
D G Duncan	J.B. Hunt Transport Services, Inc.	2010 to current
	Benchmark Electronics, Inc.	2006 to current
A G Froggatt	AXA Asia Pacific Holdings Limited	2008 to 2011
	Billabong International Limited	2008 to 2013
	Coca-Cola Amatil Limited	2010 to current
T J Gorman	IFCO Systems NV (de-listed in October 2011)	2011 to July 2014
D P Gosnell	None	-
T Hassan	Recall Holdings Limited	2013 to current
S P Johns	Leighton Holdings Limited	2009 to March 2013
	Spark Infrastructure Group	2005 to 2011
	Westfield Group:	
	Westfield Holdings Limited	1985 to May 2013
	Westfield America Management Limited (as responsible entity for Westfield America Trust)	1996 to May 2013
	Westfield Management Limited (as responsible entity for Westfield Trust and Carindale Property Trust)	1985 to May 2013
S C H Kay	Commonwealth Bank of Australia	2003 to current
G J Kraehe AO	Bluescope Steel Limited	2002 to current
	Djerriwarrh Investments Limited	2002 to current
B J Long	Commonwealth Bank of Australia	2010 to current
	Ten Network Holdings Limited	2010 to current
C L Mayhew	InterContinental Hotels Group plc	2011 to current
B M Schwartz AM	Insurance Australia Group Limited	2005 to current
	IAG Finance (New Zealand) Limited	2008 to current
	Scentre Group:	
	Scentre Group Limited (formerly Westfield Holdings Limited)	2009 to current
	Scentre Management Limited (formerly Westfield Management Limited) (as responsible entity for Scentre Group Trust 1 (formerly Westfield Trust) and Carindale Property Trust)	2009 to current
	RE1 Limited (as responsible entity for Scentre Group Trust 2)	2014 to current
	RE2 Limited (as responsible entity for Scentre Group Trust 3)	2014 to current
	Westfield Corporation:	
	Westfield Corporation Limited	2014 to current
	Westfield America Management Limited (as responsible entity for Westfield America Trust and as responsible entity for WFD Trust)	2009 to current

DIRECTORS' REPORT - OTHER INFORMATION - CONTINUED

INNOVATION, RESEARCH AND DEVELOPMENT

Innovation, whether of an incremental or step-change nature, is integral to Brambles' growth strategy. Brambles is focusing on three key areas: innovating to address customers' current and future needs; accelerating tomorrow's growth opportunities; and fostering and driving a culture of innovation. In 2011, Brambles launched an Innovation Fund, which has reviewed and funded a significant number of early-stage new business ideas. Brambles carries out research and development activities in relation to its Pooled Solutions business and carried out research and development activities in relation to the Recall business up until to completion of the demerger of the Recall business in December 2013. These activities comprise:

- Continuously testing its pallets, containers and other platforms to make them more durable, sustainable and safer for use in the supply chain;
- Enhancing existing, and developing new designs of pallets, containers and other supply chain platforms, for both new and existing markets;
- Improving pallet and container repair processes and equipment;
- Testing and developing unique identifier technologies, including radio frequency identification; and
- Research into and development of new service offerings, information technology and software solutions, and information and document management processes.

ENVIRONMENTAL REGULATION

Except as set out below, the Group's operations in Australia are not subject to any particular and significant environmental regulation under a law of the Commonwealth or a State or Territory. The operations of the Group in Australia involve the use or development of land, the use of transportation equipment and the transport of goods. These operations may be subject to State, Territory or Local government environmental and town planning regulations, or require a licence, consent or approval from Commonwealth, State or Territory regulatory bodies. There were no material breaches of environmental statutory requirements and no material prosecutions during the Year. Brambles' businesses comply with all relevant environmental laws and regulations and none were involved in any material environmental prosecutions during the Year.

The Group's operations are subject to numerous environmental laws and regulations in the other countries in which it operates. There were no material breaches of these laws or regulations during the Year.

INTERESTS IN SECURITIES

Pages 43, 44 and 46 of the Directors' Report - Remuneration Report include details of the relevant interests of Directors, and other Group Executives whose details are required to be disclosed, in shares and other securities of Brambles Limited.

SHARE CAPITAL, OPTIONS AND SHARE RIGHTS

Details of the changes in the issued share capital of Brambles Limited and share rights and MyShare matching share rights outstanding over Brambles Limited ordinary shares at the Year-end are given in Notes 27 and 28 of the Financial Report on Pages 97 to 99.

No options, share rights or MyShare matching share rights over the shares of Brambles Limited's controlled entities were granted during or since the end of the Year to the date of this Report.

Since the end of the Year to the date of this Report, the following grants, exercises and forfeits in options, performance share rights and MyShare matching share rights over Brambles Limited ordinary shares have taken place, broken down by reference to the plan numbers shown on Pages 47 and 48 of the Remuneration Report:

- 60,368 grants under the 2014 MyShare offer (plan numbers 48 to 52);

- 498,672 exercises resulting in the issue of fully paid ordinary shares: 5,332 under the 2013 MyShare offer, including an adjustment in relation to the demerger of the Recall business (plan numbers 36 to 47); 1,884 under the 2014 MyShare offer (plan numbers 48 to 52); 472,190 under plan 6; 3,300 under plan 3 and 15,966 under plan 11; and
- 1,168,120 lapses: 8,702 under the 2013 MyShare offer (plan numbers 36 to 47); 5,272 under the 2014 MyShare offer (plan numbers 48 to 52); 948,401 under plan 9 and 205,745 under plan 10.

SHARE BUY-BACKS

No ordinary shares were bought-back and cancelled during the Year. There is no current on-market buy-back in operation.

RISK MANAGEMENT

A discussion of Brambles' risk profile, management and mitigation of risks can be found in the Operating & Financial Review on Page 6 and Section 7 of the Corporate Governance Statement on Page 29.

TREASURY POLICIES

A discussion of the implementation of treasury policies and mitigation of treasury risks can be found in the Operating & Financial Review on Pages 4 and 5.

NON-AUDIT SERVICES AND AUDITOR INDEPENDENCE


The amount of US\$1.2 million was paid or is payable to PricewaterhouseCoopers, the Group's auditors, for non-audit services provided during the Year by them (or another person or firm on their behalf). These services primarily related to financial due diligence for acquisitions and the demerger of Recall, compliance tracking system, forensic accounting services and tax consulting advice. The Audit Committee has reviewed the provision of non-audit services by PricewaterhouseCoopers and its related practices and provided the Directors with formal written advice of a resolution passed by the Audit Committee. Consistent with this advice, the Directors are satisfied that the provision of non-audit services by PricewaterhouseCoopers and its related practices did not compromise the auditor independence requirements of the Act for the following reasons: the nature of the non-audit services provided during the Year; the quantum of non-audit fees compared to overall audit fees; and the pre-approval, monitoring and ongoing review requirements under the Audit Committee Charter and the Charter of Audit Independence in relation to non-audit work. The auditors have also provided the Audit Committee with a letter confirming that, in their professional judgement, as at 7 August 2014 they have maintained their independence in accordance with their firm's requirements, with the provisions of APES 110 - Code of Ethics for Professional Accountants and the applicable provisions of the Act. On the same basis, they also confirmed that the objectivity of the audit engagement partners and the audit staff is not impaired.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Act is set out on Page 124.

ANNUAL GENERAL MEETING

The AGM will be held at 2.00pm (AEDT) on 6 November 2014 at The Grand Ballroom, Sofitel Melbourne on Collins, 25 Collins Street, Melbourne, Victoria 3000. This Directors' Report is made in accordance with a resolution of the Board.



G J Kraehe AO
Chairman

T J Gorman
Chief Executive Officer

20 August 2014