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Brambles

5 August 2016

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

Via electronic lodgement

Dear Sir / Madam

BRAMBLES ANNOUNCES FORMATION OF OIL & GAS CONTAINERS JOINT VENTURE

Please see the attached announcement relating to the above.

At 10.30am AEST today, Tom Gorman, Chief Executive Officer, Zlatko Todorcevski, Chief Financial Officer and Jason Rabbino, Group President, Containers and Head of Group Strategy, will webcast a presentation on the new Oil & Gas Containers joint venture.

Also enclosed are the slides for that presentation.

The slides and webcast will be available on the Brambles website at www.brambles.com.

Yours faithfully
Brambles Limited

Robert Gerrard
Group Company Secretary

Brambles to combine Oil & Gas containers solutions businesses with Hoover Container Solutions to create a leading independent joint venture company

Sydney – 5 August 2016: Brambles Limited has today announced an agreement to combine its Oil & Gas container solutions businesses – Ferguson Group (Ferguson) and CHEP Catalyst & Chemical Containers (CCC) – with Hoover Container Solutions to create an independent joint venture company - Hoover-Ferguson Group (HFG). The joint venture will be 50% owned by Brambles and 50% owned by Hoover shareholders. Hoover's major shareholder is First Reserve, a leading global private equity and infrastructure investment firm exclusively focused on energy.

Key features of the announcement

- The combination of these businesses will create the second-largest global provider of container logistics solutions to the Oil & Gas and Chemicals sectors, delivering enhanced scale, capabilities to support customers worldwide and substantial synergy opportunities.
- The formation of HFG enhances Brambles' position in Oil & Gas and Chemicals container logistics, consistent with the Group's strategy and without any additional capital outlay.
- The transaction provides Brambles with long-term optionality in relation to the scale of, and allocation of capital to, the Group's Oil & Gas containers investment.
- HFG will operate under the leadership of Hoover chief executive Donald Young and an eight member board of directors, with equal representation from Brambles and Hoover shareholders. The HFG CFO will be a Brambles nominee.
- A shareholder agreement will govern key aspects of the joint venture, including governance and exit provisions.
- Brambles anticipates that the transaction will complete during October 2016, subject to regulatory clearance and customary conditions precedent.

Financial Implications

- The transaction is expected to be neutral to Brambles' underlying earnings per share in FY17, prior to transaction costs (US$7 million over FY16 and FY17), and accretive as cost and revenue synergies are realised. HFG is targeting annual cost and capital expenditure synergies of US$5-10 million within three years and will also seek to maximise substantial revenue opportunities related to cross selling services and products globally.
- Brambles will receive consideration of approximately US$75 million[1] from First Reserve to equalise ownership of HFG - US$40 million receivable in cash upon transaction close with the balance deferred[2].
- Brambles will contribute Ferguson and CCC to HFG with debt, including a US$150 million subordinated shareholder loan with a cash interest rate of 10% per annum, payable quarterly.
- HFG will target an independent funding facility as soon as capital market conditions are conducive – enabling full repayment of the Brambles' shareholder loan and allowing HFG to be self-funding.
- HFG will seek to maintain a borrowing ratio consistent with the long-term asset lives in the industrial container leasing sector.

Oil & Gas impairment to be recognised in FY16

- Brambles will recognise an impairment charge of US$38 million against the value of its Oil & Gas assets as at 30 June 2016, reflecting the current market conditions in the Oil & Gas sector. The non-cash impairment charge against goodwill will be treated as a Significant Item in the FY16 financial statements.
- Brambles' FY16 guidance for constant-currency[3] growth in sales revenue and Underlying Profit[4] of 8% to 10% remains unchanged.

Brambles' CEO Tom Gorman said: "Our interest in HFG will enhance our position in the Oil & Gas and Chemicals container logistics sector without the need for additional capital deployment, and creates a strong capital structure for the venture while enabling us to maintain strategic optionality over our future investment."

[Commentary continues on next page]

1 Subject to completion adjustments.
2 The deferred component is guaranteed by First Reserve's Fund XIII and will accrue interest at 6.25% per annum, payable at maturity.
3 Current period results translated into US dollars at the actual monthly exchange rates applicable in the prior comparable period.
4 A non-statutory measure that Brambles uses as a key internal performance indicator. It represents profit from continuing operations before finance costs and tax and omits Significant Items, thereby providing a clearer indication of profit trends over time.

“This transaction brings together operating businesses with complementary product ranges and geographical footprints as well as access to substantial cost and revenue synergies that will strengthen HFG’s competitive position and enable it to serve customers and pursue growth from a position of strength.”

About HFG

Hoover Ferguson Group (HFG) will be the second-largest global provider of container logistics solutions to the Oil & Gas and Chemicals sectors, with the ability to serve customers worldwide. It will have a strong footprint in key global regions – including the North America, North Sea, Latin America, Middle East, Australia and South-East Asia – with 78 dedicated facilities, a fleet of more than 110,000 high-quality rental units and approximately 500 employees. In the 12 months ended 31 December 2015 on a pro-forma basis, before synergies, HFG would have had sales revenue of US$217 million and EBITDA of US$86 million.

About First Reserve and Hoover

First Reserve is a leading global private equity and infrastructure investment firm exclusively focused on energy. With over 30 years of industry insight, investment expertise and operational excellence, First Reserve has cultivated an enduring network of global relationships and raised approximately USD $31 billion of aggregate capital since inception. First Reserve has completed more than 575 transactions (including platform investments and add-on acquisitions), creating several notable energy companies throughout the its history. Its portfolio companies operate on six continents, spanning the energy spectrum from upstream oil and gas to midstream and downstream, including resources, equipment and services and infrastructure.

Hoover Container Solutions is an integrated service provider of chemical tanks, cargo carrying units, and other related products and services to the global energy, petrochemical and general industrial end markets. The company provides its customers with comprehensive liquid and cargo containment solutions as well as a range of complementary services including cleaning, refurbishment, remote tracking and recertification. Hoover was founded in 1911 and today has a rental fleet of over 60,000 units consisting of various chemical tanks and cargo carrying units. Hoover has been a First Reserve portfolio company since January 2015.

For further information, please contact:

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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 specialist container logistics businesses serving the automotive, aerospace and oil and gas sectors. 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 14,000 people and owns more than 500 million pallets, crates and containers through a network of more than 850 service centres. For further information, please visit 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,” 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

Appendix: key accounting impacts

- Brambles will account for the results of its Oil & Gas business unit (i.e. Ferguson and CCC) in Continuing Operations in the Group's financial statements for the year ended 30 June 2016 (FY16).
- Brambles anticipates it will recognise costs arising from the transaction of approximately US$7 million over FY16 and FY17. These costs will be treated as Significant Items.
- Brambles will equity account its 50% share in HFG. As such, from the point at which the transaction completes (expected to be during October 2016):
  - In the income statement:
    - Revenue and profit previously attributed to the Oil & Gas business will no longer be fully consolidated in Brambles' accounts.
    - 50% of HFG's profit will be accounted as a single line item, on a post-tax basis, within "share of results of joint ventures and associates".
    - Interest income from the US$150 million subordinated shareholder loan and the deferred component of the equity equalisation payment will be recognised within "finance revenue".
  - In the balance sheet:
    - Brambles' equity stake in HFG will be recognised within "investments".
    - The US$150 million shareholder loan and the deferred component of the equity equalisation payment will be recognised within "non-current operating assets".

Unaudited pro forma December 2015 balance sheet

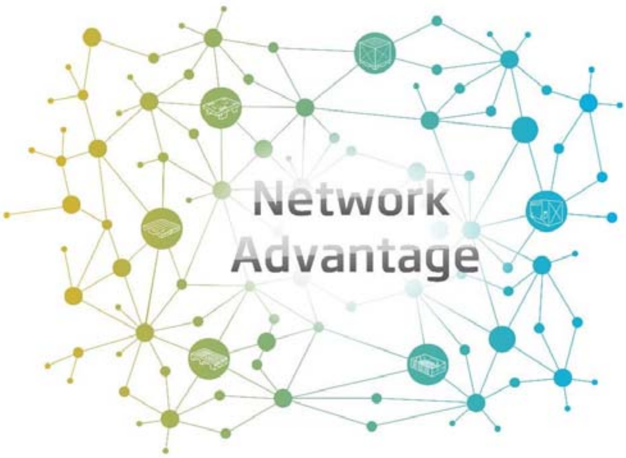
(US$M, actual FX rates)	Actual	Deconsolidate Ferguson and CCC	Equity account HFG	Pro forma[5]
Cash and cash equivalents	238	(7)	-	231
Other current assets	1,203	(28)	-	1,175
Non-current receivables	2	-	185	187
Investments	-	-	238	238
Property, plant and equipment	4,484	(155)	-	4,329
Goodwill	1,523	(305)	-	1,218
Other non-current assets	259	(39)	-	220
Borrowings – current	(243)	5	40	(198)
Other current liabilities	(1,441)	20	-	(1,421)
Borrowings – non-current	(2,653)	11	-	(2,642)
Other non-current liabilities	(645)	35	-	(610)
Net assets	2,727	(463)	463	2,727

[5] Brambles unaudited pro forma December 2015 balance sheet does not reflect the impact of the impairment charge to be recognised as at 30 June 2016.

Brambles

Formation of Oil & Gas Containers Joint Venture

5 August 2016



Transaction rationale

- Ferguson Group and CHEP Catalyst & Chemical Containers (CCC) combined with Hoover Container Solutions to form HFG
- HFG to be independent 50:50 joint venture between Brambles and Hoover shareholders (mainly First Reserve and Hoover management)
- Creates the second-largest global provider of container logistics solutions to the Oil & Gas and Chemical sectors
- Substantial synergy opportunities from operating cost, asset utilisation, cross-selling and global scale benefits
- Shareholder agreement governs key aspects of joint venture, including governance and exit provisions

Key benefits to Brambles

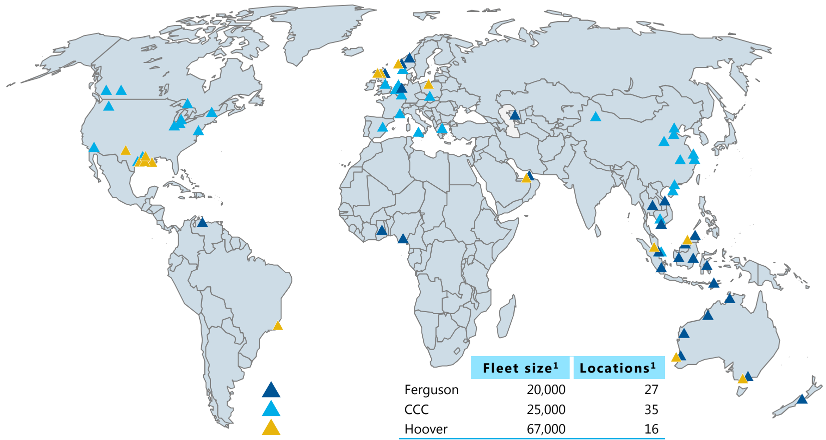
1	Creates the #2 global player without additional capital outlay
2	Substantial synergy opportunities – Accretive to underlying EPS as synergies realised
3	Optionality over scale/capital allocation/future ownership
4	Creates independent self-funding platform for growth

Overview of HFG

- Strong footprint in key global regions: North America, North Sea, Latin America, Middle East, Australia, South-East Asia
- 78 dedicated facilities, more than 110,000 high-quality rental units and approximately 500 employees
- Pro forma sales revenue US$217M and EBITDA US$86M (CY15)
- Eight-strong board of directors, with equal representation from Brambles and Hoover's existing shareholders
- To be led by Hoover CEO Donald Young

Creation of a global business with scale

HFG combined, complementary footprint



	Fleet size[1]	Locations[1]
Ferguson	20,000	27
CCC	25,000	35
Hoover	67,000	16
Total	**112,000**	**78**

[1] Estimated as of Dec-15.

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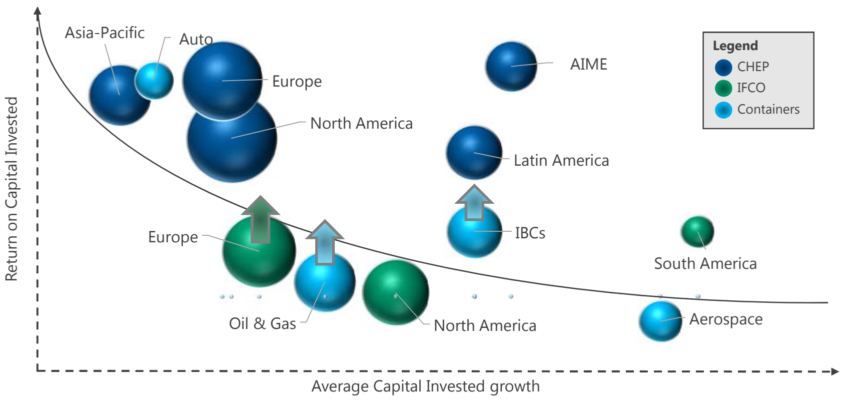
Disciplined capital allocation focus

Managing the portfolio for maximisation of value



Notes: Return on Capital Invested and Average Capital invested growth based on FY15 organic trends but not shown to scale; bubble sizes reflect FY15 Average Capital Invested; operating business unit structures used (i.e. ANZ and South Africa RPCs and Auto shown within CHEP); arrows represent incremental Return on Capital Invested excluding acquired intangibles.

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Financing overview

- Brambles to own 50% equity in HFG, with 50% owned by Hoover shareholders
- Relative ownership of HFG calculated at broadly equal EBITDA multiples for Hoover and Brambles' Oil & Gas businesses
- Brambles to receive additional consideration of ~US$75M[1] (US$40M cash upfront and the balance deferred[2]) to equalise HFG ownership
- Brambles to contribute Ferguson Group and CCC with debt, including US$150M shareholder loan with a cash interest rate of 10% p.a. payable quarterly
- HFG to target independent funding facility as soon as capital market conditions are conducive – enabling full repayment of Brambles' shareholder loan
- HFG to maintain a borrowing cost ratio consistent with the long-term asset lives in the sector

[1] Subject to completion adjustments.
[2] The deferred component is guaranteed by First Reserve Fund XIII and will accrue interest at 6.25% per annum, payable at maturity.

Brambles accounting impacts

- FY16 results from Oil & Gas (i.e. Ferguson and CCC) accounted for in Continuing Operations
- Transaction costs of ~US$7M recognised as Significant Items over the FY16 and FY17 periods
- Post completion, Brambles will equity account 50% share in HFG going forward:
  - Income statement impacts:
    - Revenue and profit of Oil & Gas no longer fully-consolidated;
    - 50% of HFG's profit accounted as single line item (post-tax basis) within "share of results of joint ventures and associates"; and
    - Interest income from US$150M shareholder loan and deferred component of equity equalisation payment recognised in "finance revenue"
  - Balance sheet impacts:
    - Equity stake in HFG recognised within "investments"; and
    - US$150M shareholder loan and deferred component of equity equalisation payment recognised within "non-current operating assets"

Oil & Gas asset impairment

- US$38M impairment charge to be recognised against the value of Brambles' Oil & Gas assets as at 30 June 2016
- Impairment reflects current market conditions in the Oil & Gas sector
- Non-cash in nature, to be accounted for as a Significant Item in FY16
- FY16 guidance remains unchanged – continue to expect constant-currency[1] growth in sales revenue and Underlying Profit[2] of 8-10%

[1] Current period results translated into US dollars at the actual monthly exchange rates applicable in the prior comparable period.
[2] A non-statutory measure that Brambles uses as a key internal performance indicator. It represents profit from continuing operations before finance costs and tax and omits Significant Items, thereby providing a clearer indication of profit trends over time.

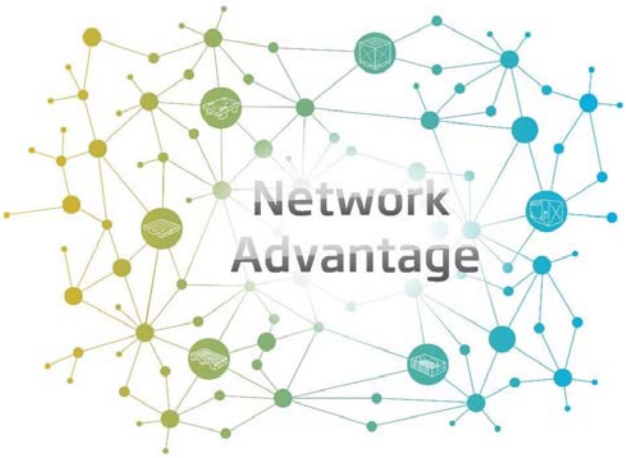
Key points recap

1	Creates the #2 global player without additional capital outlay
2	Substantial synergy opportunities – Accretive to underlying EPS as synergies realised
3	Disciplined capital allocation
4	Optionality over future ownership

Brambles

Formation of Oil & Gas Joint Venture

5 August 2016



Appendices

Appendix i

Statutory income statement impact

Sales Revenue **Operating Expense**	**Remove** contributions from Oil & Gas business
Share of results of JVs and Associates	**Recognise** 50% share of HFG post-tax profit
Operating Profit	
Net Finance Costs	**Recognise** interest revenue on $150M shareholder loan and deferred component of the equity equalisation payment
Profit from Continuing Operations	

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Appendix ii

Brambles unaudited pro forma December 2015 balance sheet

(US$M, actual FX rates)	Brambles actual	Deconsolidate Ferguson and CCC	Equity accounting of HFG / financing impacts	Brambles pro forma[1]
Cash and cash equivalents	238	(7)	-	231
Other current assets	1,203	(28)	-	1,175
Non-current receivables	2	-	185	187
Investments	-	-	238	238
Property, plant and equipment	4,484	(155)	-	4,329
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Other non-current liabilities	(645)	35	-	(610)
Net assets	**2,727**	**(463)**	**463**	**2,727**

[1] Brambles unaudited pro forma December 2015 balance sheet does not reflect the impact of the US38M impairment to be recognized as at 30 June 2016.

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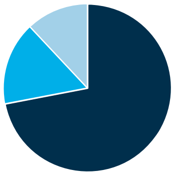
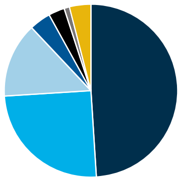
Appendix ii

HFG unaudited pro-forma CY15 financials

US$M	CY15
Revenue	**217**
Brambles Oil & Gas	112
Hoover	105
EBITDA	**86**

Indicative revenue contribution





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