

30 January 2014

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

Via electronic lodgement

Dear Sir/Madam

**RECALL DEMERGER – AUSTRALIAN RESIDENT SHAREHOLDER TAXATION
INFORMATION**

Attached is a letter to be sent to Brambles Limited shareholders relating to the above.

Yours faithfully
BRAMBLES LIMITED

Robert Gerrard
Company Secretary



30 January 2014

Dear Shareholder

Recall Demerger – Australian resident shareholder taxation information

I refer to the demerger of Recall Holdings Limited (**Recall**), which was implemented on 18 December 2013.

Brambles is providing this letter to assist Australian resident shareholders in determining the treatment of their Distribution Entitlement¹ and the apportionment of the cost base for their Brambles Shares and Recall Shares. All Brambles Shareholders are, however, strongly advised to obtain their own professional advice on the tax implications of the Demerger based on their own specific circumstances.

Section 6.2 (Tax Implications for Shareholders) of the Scheme Book sets out a general summary of the tax implication of the Demerger for Australian resident shareholders who hold their Brambles Shares on capital account. This letter supplements the information in that section. All amounts in this letter are expressed in Australian dollars.

The Company has obtained a Class Ruling (CR 2014/12) from the Australian Taxation Office which provides that Australian resident Brambles Shareholders who held their Brambles Shares on capital account at the Scheme Record Date (i.e 16 December 2013) will be able to choose demerger tax relief in relation to the Demerger. A link to the Class Ruling has been posted on the Brambles website at www.brambles.com/investor-centre/recall-demerger.

Composition of Distribution Entitlement

The Distribution Entitlement in respect of each Brambles Share was \$0.8681. That amount comprised the Capital Reduction Entitlement of \$0.4803 per share and the Demerger Dividend Entitlement of \$0.3878 per share. The Distribution Entitlement was applied in consideration of the Recall Shares transferred to you (or to the Sale Agent for your benefit). General information on the tax treatment of the Capital Reduction Entitlement and Demerger Dividend Entitlement is set out in sections 6.2.1(a) and (b) of the Scheme Book respectively.

Apportionment of Cost Base

The cost base and reduced cost base of each Brambles Share held before the Demerger has been apportioned between each Brambles Share and each Recall Share held after the Demerger. The apportionment was based on a reasonable approximation of the relative market values of the Brambles Shares and the Recall Shares having regard to the volume weighted average prices (VWAP) of Brambles Shares and Recall Shares over the first five days of trading immediately following

¹ Capitalised terms in this letter have the same meaning as they have in the Recall Demerger Scheme Book dated 23 October 2013 (**Scheme Book**), a copy of which is on the Brambles website at www.brambles.com/investor-centre/recall-demerger.

the Effective Date, being \$8.68 and \$4.34 respectively. Given that shareholders received one Recall Share for every five Brambles Shares held, the relative market values of Brambles and Recall Shares are as follows:

Brambles Shares	90.91%
Recall Shares	9.09%
Total	100.00%

To illustrate with an example, if a shareholder held 4,000 Brambles Shares with a total cost base of \$28,000, then after the Demerger the shareholder would hold 4,000 Brambles Shares and 800 Recall Shares (i.e. receiving one Recall Share for every five Brambles Shares held).

The new cost base of the 4,000 Brambles Shares would be \$25,454.80 (90.91% x \$28,000), or \$6.36 per Brambles Share.

The new cost base of the 800 Recall Shares would be \$2,545.20 (9.09% x \$28,000), or \$3.18 per Recall Share.

The above is an example only. The new cost base of your Brambles Shares and the cost base of your Recall Shares will depend on the actual cost base of the Brambles Shares you held on the Scheme Record Date (i.e. 16 December 2013).

The information in this letter is complex and technical in nature and we therefore reiterate that you should obtain your own professional advice on the tax implications of the Demerger based on your own specific circumstances.



Robert Gerrard
Company Secretary