

BRAMBLES TAX REPORT FOR FY18

Brambles aims to make a positive contribution to the communities in which it operates and to be a responsible neighbour. This positive contribution includes seeking to comply with the law by paying the right amount of tax in the correct jurisdiction, disclosing relevant information, and claiming reliefs or incentives where they are available.

Brambles Limited has a Tax Policy approved by the Board of Directors, which sets out the Company's approach to tax risk management and governance, attitude towards tax planning, and its approach in interacting with tax authorities. The Tax Policy is included in Brambles Limited's Code of Conduct.

This Tax Report sets out details relevant to tax matters for Brambles for the year ended 30 June 2018, particularly:

1. A reconciliation of accounting profit to tax expense and to income tax payable for Australia, as well as identification of material temporary and non-temporary differences for Australia;
2. Accounting effective company tax rates for Australian and global operations;
3. Tax contribution summary for corporate taxes paid; and
4. Information about international related party dealings.

1. Reconciliation of Australian Tax Expense to Tax Payable and identification of temporary and non-temporary timing differences

	A\$'000
Profit before Tax	287,540
Australian statutory tax rate	30.00%
Prima facie tax expense	(86,262)
 <u>Non-temporary Differences</u>	
Prior year adjustments	1,019
Foreign withholding tax – not recouped	(1,702)
Non-deductible expenses	(2,595)
Other taxable items not in accounts	(1,396)
Other items impacting tax expense	<u>312</u>
(Increase)/decrease in tax expense	<u>(4,362)</u>
Tax expense	<u>(90,624)</u>
 <u>Temporary Differences</u>	
Book v Tax Depreciation	(580)
Book v Tax Profit (Loss) on Sale of Plant	3,814
Provision Movement	1,396
Revenue recognition differences	(2,155)
Other timing differences	<u>1,716</u>
Net Temporary Differences	<u>4,191</u>
Gross Tax Payable	(86,433)
Less Foreign Income Tax Offsets	<u>14,186</u>
Net Current Tax Payable	<u>(72,247)</u>

2. Accounting effective company tax rates for Australian and global operations

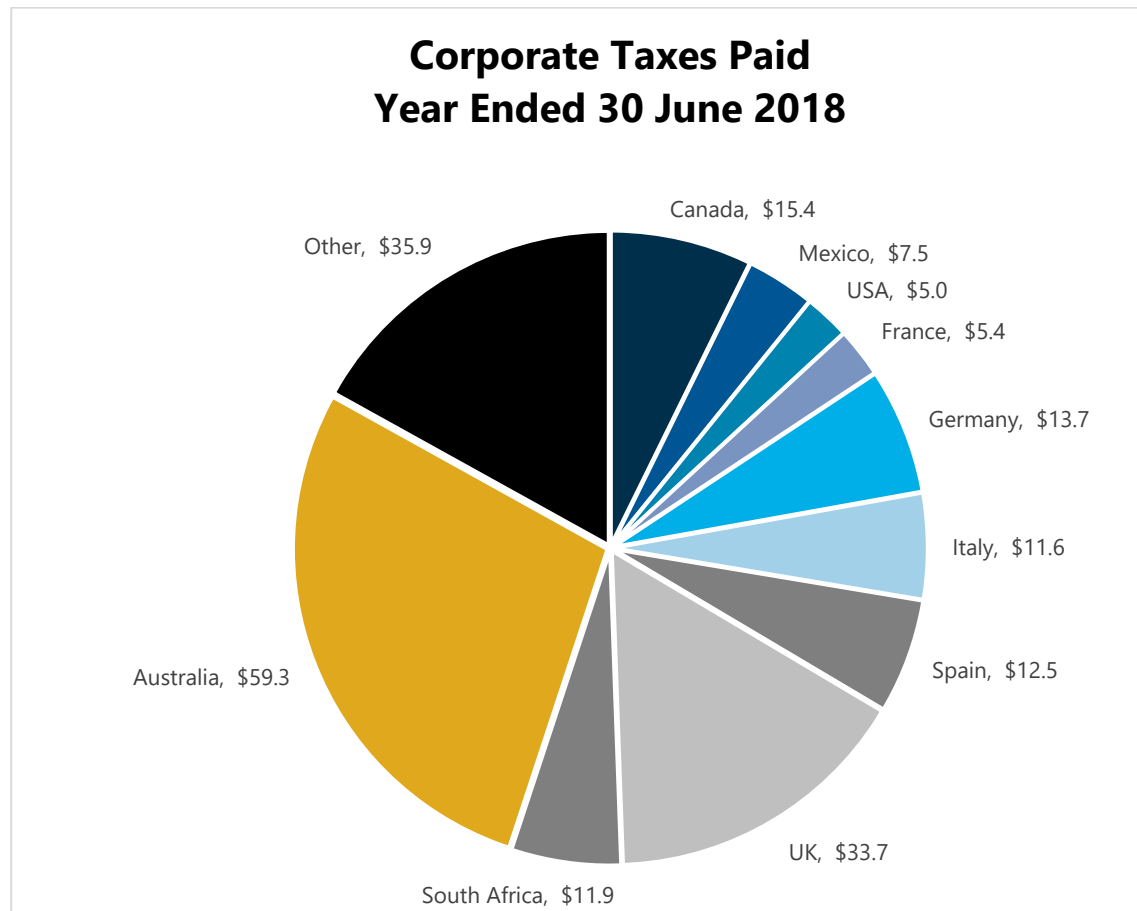
The effective tax rate for the Brambles Group, and Australian operations, being income tax expense as a percentage of statutory profit, for the year ended 30 June 2018, is set out below:

Brambles Australian operations	31.5%
Brambles Global operations	12.3%

The effective tax rate for global operations was impacted by a one-off impact of US\$127.9m or 14.5% relating changes to the US tax rate effective 1 January 2018.

3. Tax contribution summary for corporate taxes paid

Details of corporate income taxes paid (by country) in excess of US\$5.0m is shown in the graph below. The total income tax paid in the year ended 30 June 2018 was US\$211.9m. There were no other material taxes paid by the Brambles Group.



4. Information about international related party dealings

The Brambles Australian Group entered into the following material international transactions with related parties:

- Transactions representing sales to related parties:
 - Provision of know-how and other intellectual property;
 - Provision of management and support services;
 - Provision of financial support; and
 - Provision of loans.
- Transactions representing purchases from related parties: -
 - Provision of management and support services;
 - Provision of IT access and support; and
 - Provision of engineering and R&D contracted support service.