



2 July 2013

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

*via electronic lodgement*

Dear Sir/Madam

**BRAMBLES ANNOUNCES INTENTION TO DEMERGE RECALL AS SEPARATE ASX-LISTED COMPANY**

Attached is an announcement relating to the above.

Yours faithfully  
**BRAMBLES LIMITED**

**Robert Gerrard**  
Company Secretary

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## BRAMBLES ANNOUNCES INTENTION TO DEMERGE RECALL AS SEPARATE ASX-LISTED COMPANY

- Brambles shareholders to receive shares in new separately-listed Recall holding company
- Demerger to enable Brambles to concentrate on ongoing opportunities in Pooling Solutions
- Independent Recall Holdings Limited highlights include:
  - Strong market position across global footprint of 23 countries
  - Stable, recurring sales revenue streams
  - Growth prospects in developed and emerging markets
  - Strong operating cash flow with which to support future dividends and investment
  - Net debt of approximately US\$450 million
- Ian Blackburne to be Chairman of Recall Holdings; Doug Pertz to continue as CEO
- Expected distribution of scheme book in October 2013 for targeted demerger completion in December 2013

**Sydney, 2 July 2013** - Brambles Limited has today announced its intention to demerge its information management business, Recall, by listing a new holding company, Recall Holdings Limited, on the Australian Securities Exchange (ASX). Through the demerger, eligible Brambles shareholders will receive new shares in Recall Holdings proportionate to their existing Brambles shareholding, while retaining their existing Brambles shares. Brambles will not retain any shareholding in Recall following the demerger.

The demerger will enable Brambles to focus on the ongoing opportunities for growth and shareholder returns from the company's global Pooling Solutions operations under the CHEP and IFCO brands. Separately, the newly independent Recall Holdings will offer investors exposure to a global, industry-leading information management business with stable revenues and strong cash flow from which to fund dividends and investments in growth.

Brambles Chairman, Graham Kraehe, said: "We believe this transaction will deliver sustainable value creation opportunities for shareholders, providing an investment in two high quality companies with different characteristics. Each of Brambles and Recall have a dedicated leadership team and strategic focus on maximising value from the specific opportunities available to them."

Brambles Chief Executive Officer, Tom Gorman, said: "Recall is a very solid business with a strong financial profile that has consistently created value for Brambles shareholders. It has delivered stable, recurring sales revenue despite challenging macro-economic conditions and positive trends for cash flow generation, operating margins and return on capital over recent years."

### DEMERGER TIMING

Brambles expects to distribute a scheme book to shareholders in October 2013 containing: a recommendation from the Brambles Board in respect of the demerger; information about the mechanics of the demerger; information about the operating and financial profiles of both Recall Holdings and the post-demerger Brambles; an independent expert's report; and additional information for shareholders.

Brambles currently intends to convene a meeting for shareholders to vote on the demerger proposal in December 2013. Subject to the outcome of this shareholder vote and the satisfaction of other conditions (including receiving the relevant court and regulatory approvals) the final separation of Recall from Brambles and the listing of Recall Holdings will occur shortly thereafter.

### RECALL LEADERSHIP

Ian Blackburne will be appointed Chairman of Recall Holdings. Dr Blackburne is Chairman of ASX-listed gaming technology company Aristocrat Leisure Limited and a director of New York Stock Exchange-listed marine energy transportation company Teekay Corporation. He has previously been chairman of CSR Limited and the Australian Nuclear Science & Technology Organisation and a non-executive director of Suncorp-Metway Limited and Symbion Health Limited. *[Continued next page]*

Recall Holdings will appoint additional non-executive directors, details of whom will be included in the scheme book. Doug Pertz will continue as Recall Chief Executive Officer and be an executive director of Recall Holdings. Recall Holdings' head office and senior management will be based at its current operational headquarters in Atlanta, Georgia, USA. The company will also have a corporate office in Sydney, Australia.

#### RECALL OVERVIEW & OUTLOOK<sup>1</sup>

Recall is a leading global provider of information management solutions to sectors including financial services, legal services, healthcare and government. It has a strong presence in North America, Europe and Australia and exposure to emerging markets in Latin America and Asia. It employs approximately 4,500 people worldwide.

In the 2012 financial year, Recall generated sales revenue of US\$845 million, Underlying Profit<sup>2</sup> of US\$174 million<sup>3</sup> and Return on Capital Invested<sup>4</sup> of 16%. Brambles expects Recall will experience a decline in sales revenue of approximately 3% on a constant currency<sup>5</sup> basis for the 2013 financial year as a result of reduced transactional customer activity in the information management industry and the first-half impact of weaker selling prices for destroyed paper. Recall's Underlying Profit for the 2013 financial year is expected to be impacted by this reduction in sales revenue, as well as some increase in business development activities, and to come within a range of US\$138 million to US\$142 million<sup>6</sup>, at 30 June 2012 exchange rates.

Mr Gorman said: "Despite the short-term issues impacting the 2013 financial year, Recall's compound annual growth rate<sup>7</sup> for the five years to 30 June 2013 is on course to be approximately 2% for sales revenue and 3% for Underlying Profit, which demonstrates the strength of the business. We believe Recall Holdings will be well-placed to deliver sales revenue and Underlying Profit growth in the 2014 financial year."

#### FINANCIAL POLICY & DIVIDENDS

Brambles intends to demerge Recall with net debt of approximately US\$450 million, a level Brambles believes to be appropriate to the size and nature of Recall's business. Recall generates strong, recurring operating cash flow capable of servicing this debt comfortably as well as funding the payment of future dividends. Further details of Recall Holdings' dividend policy will be published in the scheme book. The demerger will not change Brambles' financial policy of targeting a ratio of net debt to EBITDA of less than 1.75 times.

#### BRAMBLES OUTLOOK<sup>8</sup>

Brambles continues to expect Underlying Profit, including the contribution of Recall, for the financial year ended 30 June 2013 of between US\$1,030 million and US\$1,060 million, at 30 June 2012 exchange rates.

#### For further information, please contact:

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<sup>1</sup>All forecasts are based on Brambles' segmental reporting and corporate cost allocations. Brambles expects the independent Recall Holdings to incur approximately US\$6 million of additional annual pre-tax corporate costs compared with those it is expected to incur as part of Brambles in the 2013 financial year.

<sup>2</sup>Underlying Profit is profit from Continuing Operations before finance costs, tax and Significant Items.

<sup>3</sup>Financial year 2012 sales revenue and Underlying Profit were US\$817 million and US\$168 million at 30 June 2012 exchange rates.

<sup>4</sup>Return on Capital Invested is Underlying Profit divided by Average Capital Invested, a 12-month average of capital invested calculated as net assets before tax balances, cash and borrowings but after adjustment for accumulated pre-tax Significant Items, actuarial gains or losses and net equity adjustments for equity-settled share-based payments.

<sup>5</sup>Brambles calculates constant currency by translating reported period results into US dollars at the actual monthly exchange rates applicable in the prior corresponding period.

<sup>6</sup>Guidance subject to external audit and any closing adjustments; translates to between US\$140 million and US\$144 million at actual exchange rates.

<sup>7</sup>Compound annual growth rates calculated at 30 June 2012 exchange rates using Brambles' historic segmental reporting and corporate cost allocations.

<sup>8</sup>Guidance subject to external audit and any closing adjustments.

**Brambles Limited** (ASX: BXB) is the world's leading provider of pallet, crate and container pooling solutions through the CHEP and IFCO operating brands, and a leading provider of information management solutions through the Recall brand. Brambles employs approximately 17,000 people in more than 50 countries. For further information on Brambles and all announcements, presentations and webcasts, please visit [www.brambles.com](http://www.brambles.com).

## **Forward-looking statements**

Certain statements made in this release are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Brambles' current expectations, estimates and projections about the industry in which Brambles (including Recall) operates, and beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which 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 view 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 unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.