

Brambles Limited
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Brambles

12 April 2018

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

Via electronic lodgement

Dear Sir / Madam

BRAMBLES LIMITED DIVESTS ITS INTEREST IN THE HOOVER FERGUSON JOINT VENTURE

Please see the attached announcement relating to the above.

Yours faithfully
Brambles Limited

Robert Gerrard
Group Company Secretary

{EXT 00094370}

Brambles Limited Divests its interest in the Hoover Ferguson Joint Venture

Brambles Limited announces that it has today entered into and completed an agreement to divest its 50% interest in the Hoover Ferguson Group Joint Venture (HFG) to its co-venturer, First Reserve, a leading global private equity investment firm exclusively focused on energy. The principal terms of the divestment were:

- HFG repaid to Brambles on completion the principal and accrued interest on HFG's US\$150 million subordinated shareholder loan;
- At the time of its formation in October 2016, Brambles received consideration of approximately US\$77 million from First Reserve to equalise their respective ownership interests in HFG. Of this amount, approximately US\$37 million was deferred. The deferred consideration remains in place, and will continue to accrue interest at 6.25% per annum and be guaranteed by First Reserve. The maturity date of the deferred consideration will be no later than 31 July 2026¹; and
- Brambles' interest in HFG was transferred to First Reserve for nominal consideration.

The divestment of Brambles interest in HFG will give rise to a non cash write down of the investment which had a carrying value of US\$4.9 million as at 31 March 2018. This charge will be included in the full year FY18 results and will be classified as a significant item.

Commenting on the divestment, Brambles' CEO Graham Chipchase said: "Focusing investment in our core businesses that provide significant opportunities for growth and strong returns is one of our strategic priorities. As a result, the Board no longer sees the logistics operations in the oil and gas industry as a core business for Brambles and saw limited opportunity to deliver strong shareholder returns from our investment in HFG. We are pleased, therefore, to have reached a mutually-beneficial agreement with First Reserve to exit our investment. This includes securing repayment of our \$150 million shareholder loan and preserving our longer position in relation to the deferred consideration.

We will use the funds from the shareholder loan repayment to pay down debt and to fund automation projects across the Group.

We wish First Reserve and the team at HFG the very best for the future."

For further information, please contact:

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¹ As at 11 April 2018, the principal and accrued interest on the deferred consideration was approximately US\$41.2 million.
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