

# Brambles

9 April 2020

Dear Shareholder

## **Brambles Limited (Brambles): October 2019 Special Distribution**

On 22 October 2019, Brambles paid a special distribution totalling \$0.29 per share (**Special Distribution**) to its shareholders.

Brambles is providing this letter to assist Australian resident shareholders in determining the tax treatment of the Special Distribution and its impact on the tax cost base for their Brambles fully paid ordinary shares (**Brambles Shares**). All Brambles Shareholders are, however, strongly advised to obtain their own professional advice on the tax implications of the Special Distribution.

Item 10 of the Notice of 2019 Annual General Meeting (available on the Brambles website at [https://www.brambles.com/Content/cms/pdf/2019/Brambles\\_Note\\_of\\_AGM\\_2019.pdf](https://www.brambles.com/Content/cms/pdf/2019/Brambles_Note_of_AGM_2019.pdf)) sets out a general summary of the tax implications of the Special Distribution for Australian resident shareholders who hold their shares on capital account. This letter supplements the information in that section. All amounts in this letter are expressed in Australian dollars.

Brambles has obtained a Class Ruling (CR 2019/68) from the Australian Taxation Office relating to the Special Distribution. The Class Ruling applies to Australian resident Brambles Shareholders who held their shares on capital account on 15 October 2019, the Record Date for the Special Distribution. It provides that the Special Distribution is to be apportioned between a Capital Return of \$0.12 per share (**Capital Return**) and a Dividend of \$0.17 per share (**Special Dividend**). A link to the Class Ruling has been posted on the Brambles website at:

[https://www.brambles.com/Content/cms/Dividends/Brambles\\_return\\_on\\_capital-ATO\\_Class\\_Ruling.pdf](https://www.brambles.com/Content/cms/Dividends/Brambles_return_on_capital-ATO_Class_Ruling.pdf)

## **Capital Return**

The Capital Return portion of the Special Distribution will reduce the tax cost base of Brambles Shares by \$0.12 per Brambles Share. This reduction in the tax cost base only applies to Brambles Shares held by Brambles Shareholders on 15 October 2019. It does not apply to Brambles Shares acquired after that date. Below is an example to illustrate how to calculate the reduced tax cost base. The example assumes a shareholder held 4,000 Brambles Shares with a total tax cost base of \$44,000.

No. of Brambles Shares held on 15 October 2019	4,000
Tax cost base of Brambles Shares at 15 October 2019	\$44,000
Amount of tax cost base reduction from Capital Return	$4,000 \times \$0.12 = \$480$
Tax cost base of Brambles Shares after 15 October 2019	$\$44,000 - \$480 = \$43,520$

**Special Dividend**

The Special Dividend of \$0.17 per share will be treated as assessable income of Brambles' shareholders in the same way as interim and final dividends. The Special Dividend was unfranked.

Full details of the Capital Return and Special Dividend for each Brambles Shareholder are set out in the Payment Statement for the Special Distribution, sent to shareholders on 22 October 2019.

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

Yours sincerely,

**Robert Gerrard**  
Company Secretary  
Brambles Limited