



10 February 2021

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

Via electronic lodgement

Dear Sir / Madam

Brambles to combine Kegstar business with MicroStar to create a global leader in beer keg management

Please see the attached announcement relating to the above.

The release of this announcement was authorised by Brambles Limited's Chairman and CEO under authority delegated by its Board.

Yours faithfully
Brambles Limited

Robert Gerrard
Company Secretary

Brambles to combine Kegstar business with MicroStar to create a global leader in beer keg management

Brambles Limited has today announced that it has entered into an agreement to combine its Kegstar keg rental business with leading US beer keg solutions provider MicroStar. Following the merger, the combined entity will be approximately 15% owned by Brambles and 85% owned by MicroStar's current shareholders. MicroStar's major shareholder is Freeman Spogli, a private equity firm, which invests with management in growth-oriented, middle market companies in the consumer and distribution sectors.

Under the agreement, MicroStar will purchase Kegstar at an enterprise value of US\$52.2m and issue scrip in MicroStar to Brambles as consideration. The transaction is subject to foreign investment approval in Australia and New Zealand and, subject to obtaining that approval, is expected to complete in the first half of this calendar year. As part of the transaction, Brambles will become a party to the existing MicroStar stockholders agreement, which covers key aspects of the combined businesses including governance and exit provisions.

Kegstar is a participant in the global beer keg rental sector, with operations across Australia, New Zealand, the UK, Ireland, the Netherlands and the USA. MicroStar is a market leader in the USA, the world's largest beer keg market, focusing on the same 'pay-per-fill' business model as Kegstar.

The combination of the businesses will create the global leader in the beer keg rental market, able to service both craft customers as well as global brewers. This combination will create significant growth opportunities.

Key accounting impacts:

- The impact of the transaction will be disclosed as a subsequent event in the 31 December 2020 financial statements with the results of the Kegstar business being included within continuing operations;
- In the 30 June 2021 financial statements, the results of Kegstar in the current and prior year will be reclassified to discontinued operations. During the last full financial year ended 30 June 2020, Kegstar represented less than 1% of Group revenue;
- Brambles will deconsolidate the net assets of Kegstar on completion of the transaction and will recognise an equity investment in MicroStar at its fair value. The value of the investment in MicroStar is estimated to be close to the current carrying value of Kegstar, therefore it is not expected that there will be a material gain or loss on divestment of Kegstar; and
- Brambles' approximately 15% share in MicroStar will be accounted for within 'Investments' on the balance sheet going forward and will recognise its share of MicroStar's profit or loss after tax on a single line item in the income statement within continuing operations.

Please note that ownership percentages are approximate only and subject to final closing adjustments.

Further Information

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Forward-Looking Statements: Certain statements made in this release are "forward-looking statements" – that is, statements related to future, not past, events. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", and similar expressions are intended to identify forward-looking statements. These forward-looking statements are not historical facts, but rather are based on Brambles' current beliefs, assumptions, expectations, estimates and projections. Forward-looking statements are not guarantees of future performance, as they address matters that are uncertain and subject to known and unknown risks, uncertainties and other factors that 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 views 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 events occurring after the date of this release, except as may be required by law or by any appropriate regulatory authority.

Brambles Limited (ASX: BXB) Under the CHEP brand Brambles helps move more goods to more people, in more places than any other organisation on earth. Its pallets, crates and containers form the invisible backbone of the global supply chain and the world's biggest brands trust Brambles to help them transport their goods more efficiently, sustainably and safely. As pioneers of the sharing economy, Brambles created one of the world's most sustainable logistics businesses through the share and reuse of its platforms under a model known as 'pooling'. Brambles primarily serves the fast-moving consumer goods (e.g. dry food, grocery, and health and personal care), fresh produce, beverage, retail and general manufacturing industries. The Group employs more than 12,000 people and own approximately 330 million pallets, crates and containers through a network of more than 750 service centres. Brambles operates in approximately 60 countries with its largest operations in North America and Western Europe. For further information, please visit brambles.com

About Kegstar

We make keg rental simple with our smart one-way stainless-steel kegs and casks. Each keg has its own unique identity making it easily tracked through your supply chain on our proprietary cloud-based software. In some countries we clean kegs ourselves, in some countries we collect kegs ourselves too but, in every country, we want to help more great beverages get to more happy drinkers and keep it as simple as fill, scan, deliver, repeat! Kegstar is an individual entrepreneurial part of the global supply-chain logistics company Brambles, operating in Australia, New Zealand, the UK, Ireland, the Netherlands and the USA. For further information, please visit kegstar.com

About MicroStar

Founded in 1996 and based in the heart of Denver, Colorado, MicroStar Logistics is the leading diversified keg solutions provider. MicroStar's keg management division leverages two pools of kegs -- KegCraft-branded kegs for midsize, regional brewers and MicroStar-branded kegs for large, national brewers -- to deliver cost-effective outsourced keg solutions. MicroStar's Quality Services division is the leading keg repair and maintenance operation helping to maintain the quality and lengthen the lifespans of some of the largest keg fleets in the world. For additional information, visit MicroStarLogistics.com

About Freeman Spogli

Freeman Spogli & Co. is a private equity firm dedicated exclusively to investing in and partnering with management in consumer and distribution companies in the United States. Since its founding in 1983, Freeman Spogli has invested over US\$5.0 billion in 65 portfolio companies with an aggregate transaction value of over US\$25 billion, and is currently making investments from FS Equity Partners VIII, L.P. Freeman Spogli has offices in Los Angeles and New York. For additional information, visit freemanspogli.com