

Qube Holdings Limited

Freight & Logistics Council WA

31 May 2018



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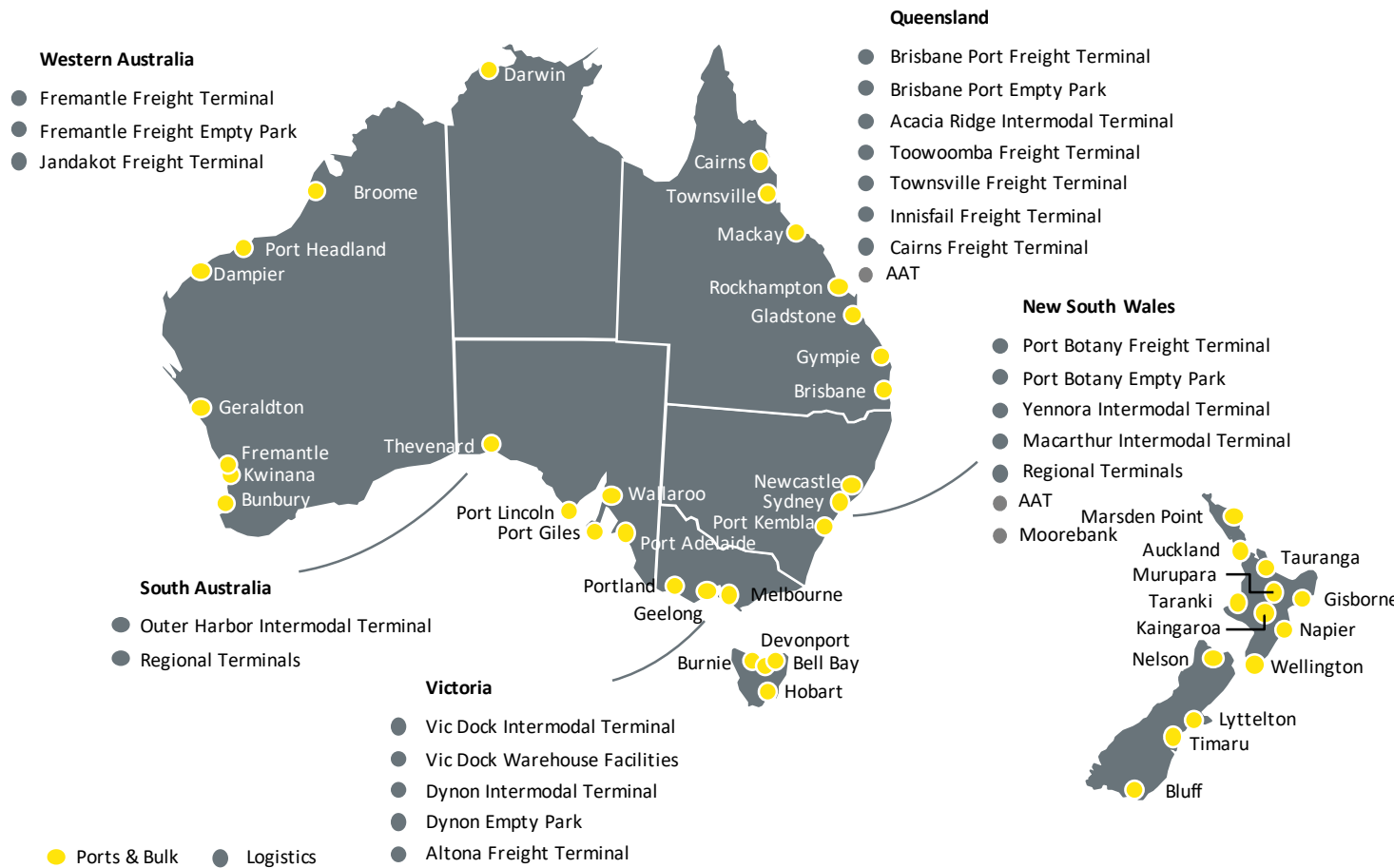
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References to 'underlying' information is to non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information) issued in December 2011.

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Qube Today



Approx. 4,700 employees and contractors

Working across over 80 locations in Australia and New Zealand

Market capitalisation of around \$3.7billion

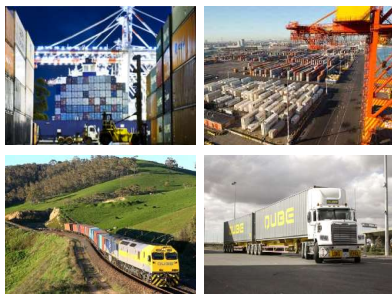
Leading positions in its core markets

Qube Today



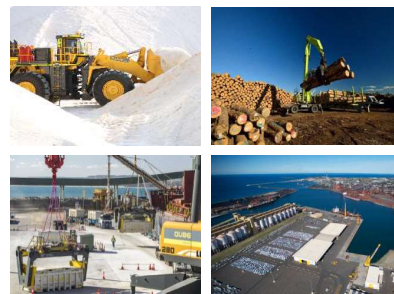
Logistics Division

- Provides broad range of services for import and export of containerised cargo
- Offers integrated solution suite covering multiple aspects of the supply chain
- Operates nationally across 36 sites in Australia including in all capital city ports and has an expanding footprint in inland metropolitan and country regional areas with connections to Australian ports



Ports & Bulk Division

- Provides broad range of logistics services for the import and export of mainly non-containerised freight
- Focus on automotive, bulk and break bulk products including vehicles, forestry products, bulk commodities, oil and gas projects and general cargo
- National operator, with 30 port facility locations in Australia and in 14 locations in New Zealand



Strategic Assets Division

- Holds interests in strategically located properties suitable for development into logistics infrastructure and operations
- Developing Moorebank, expected to become the largest intermodal logistics precinct in Australia, and another property at Minto
- Owns AAT, a multi-user facility provider to stevedores and focused on vehicle imports
- Holds investments in Quattro and TQ for development and operation of grain and fuel storage and handling terminals



Patrick Stevedores (50%)*

*Acquired 18 August 2016

- Qube owns a 50% interest in Patrick, one of two major established national operators providing container stevedoring services in the Australian market
- Holds long term lease concessions for and operates shipping container terminals in the four largest container ports in Australia
- Complements Qube's other logistics activities
- Other 50% owned by Brookfield and its managed funds



Container Transport Challenges in Sydney

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How to efficiently absorb the anticipated growth in container volumes?



Long term volume growth expected to be > CPI
80% import containers passing through Port Botany travel within 50 km of the port

Rail mode market share at Port Botany

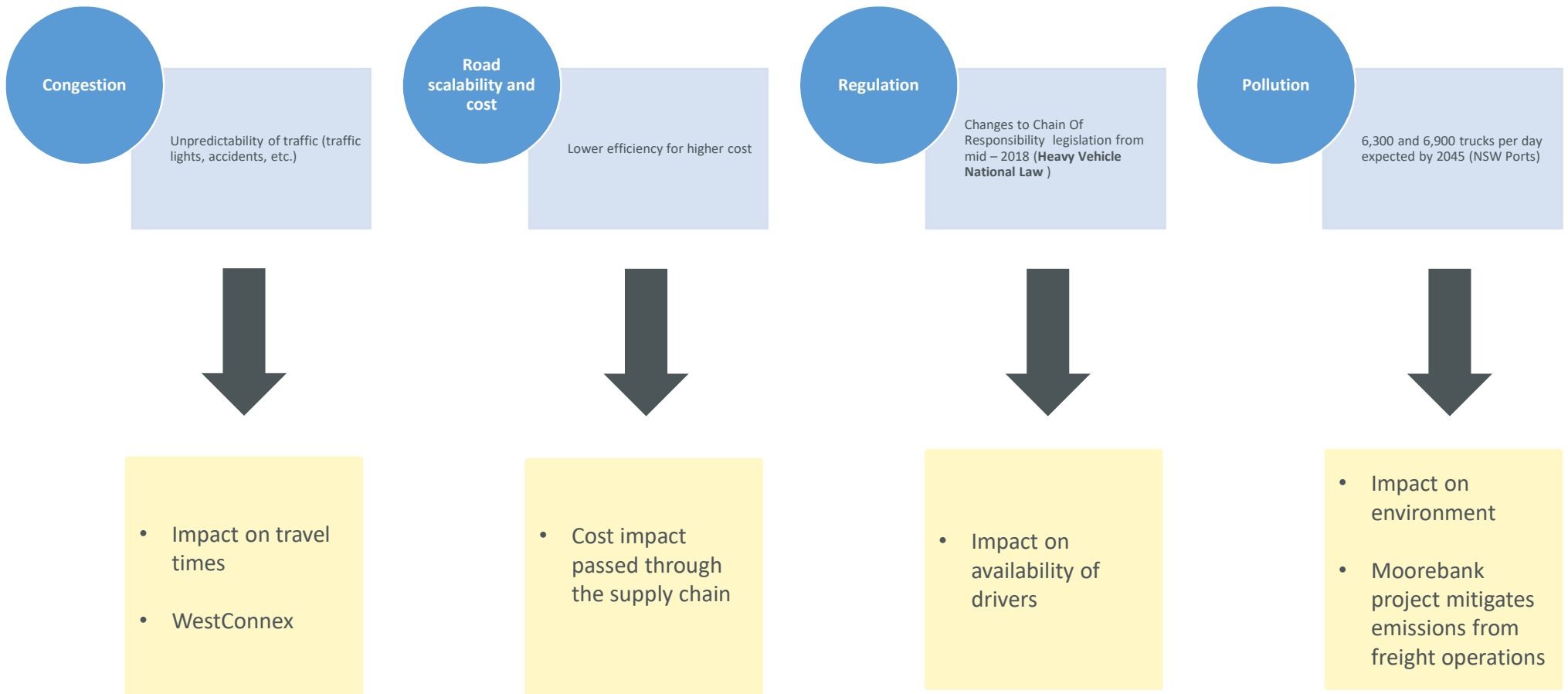
18.8%
(currently)



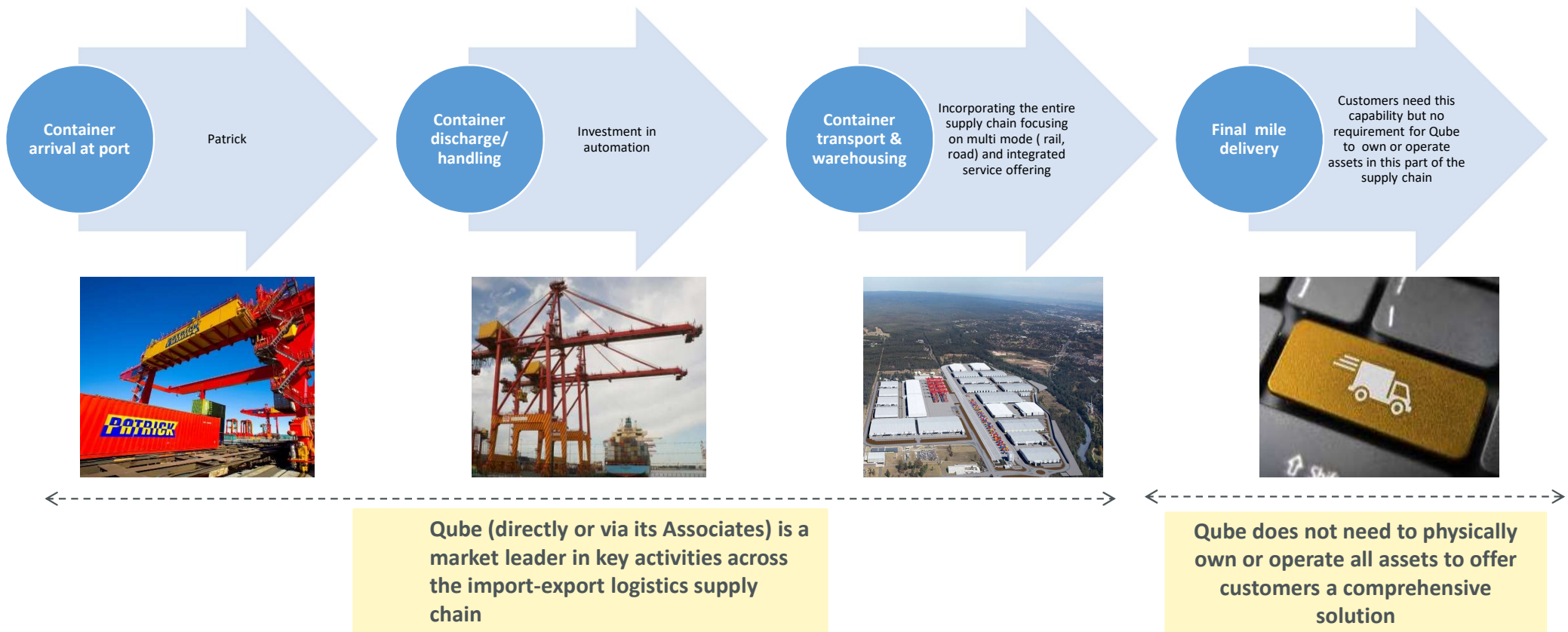
c. 40%
by 2040
(NSW Ports' target)

- Moorebank development expected to be a major catalyst for modal shift towards rail for freight moving from and to Port Botany as well as for domestic distribution from and to Moorebank
- In Qube's view, NSW Ports' target easily achievable with Moorebank

Disadvantages with Road Transport



Qube's Vision for Efficient Supply Chains



Moorebank Logistics Park - Ideally Located

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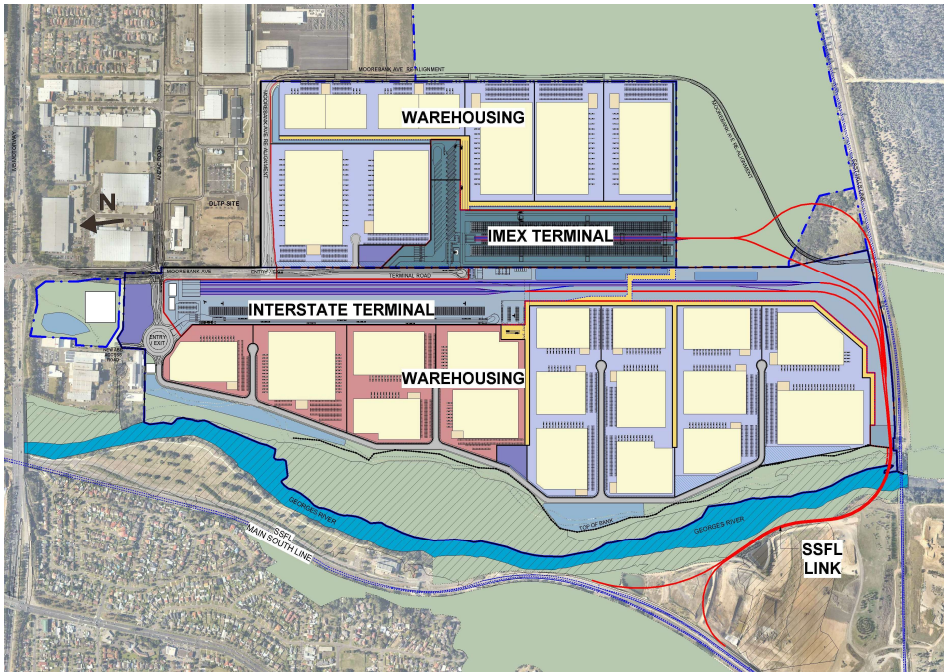
Key Highlights

- Whole of precinct solution
- Heart of South Western Sydney growth corridor
- Close to entry points for the M5 and M7 motorways
- Adjacent to Southern Sydney Freight Line (“SSFL”)
- Prime industrial development land



The Moorebank Project

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Australia's largest intermodal freight precinct

Whole of precinct solution;
99 year lease over 243 hectares of land in South Western Sydney

Qube will operate import / export port shuttle and interstate terminals handling up to 1.5 million TEU per annum

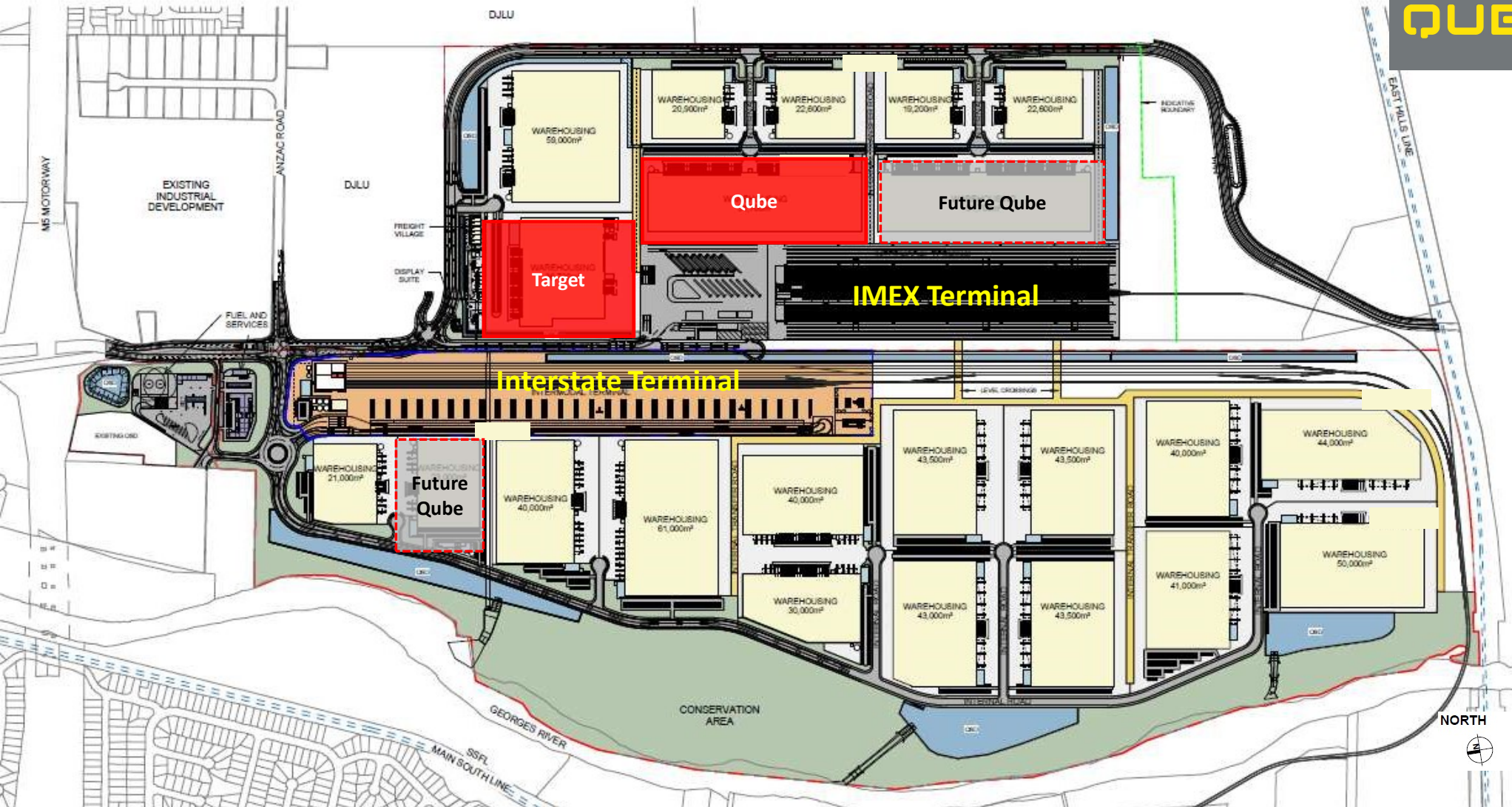
Up to 850,000 square metres of integrated warehousing when fully developed

Qube will have multiple revenue and earnings streams from the project once operational

Qube's expected capex to be circa \$400 million over the first 5 years (excluding rail shuttle operations and new warehousing)

Moorebank Development Plan

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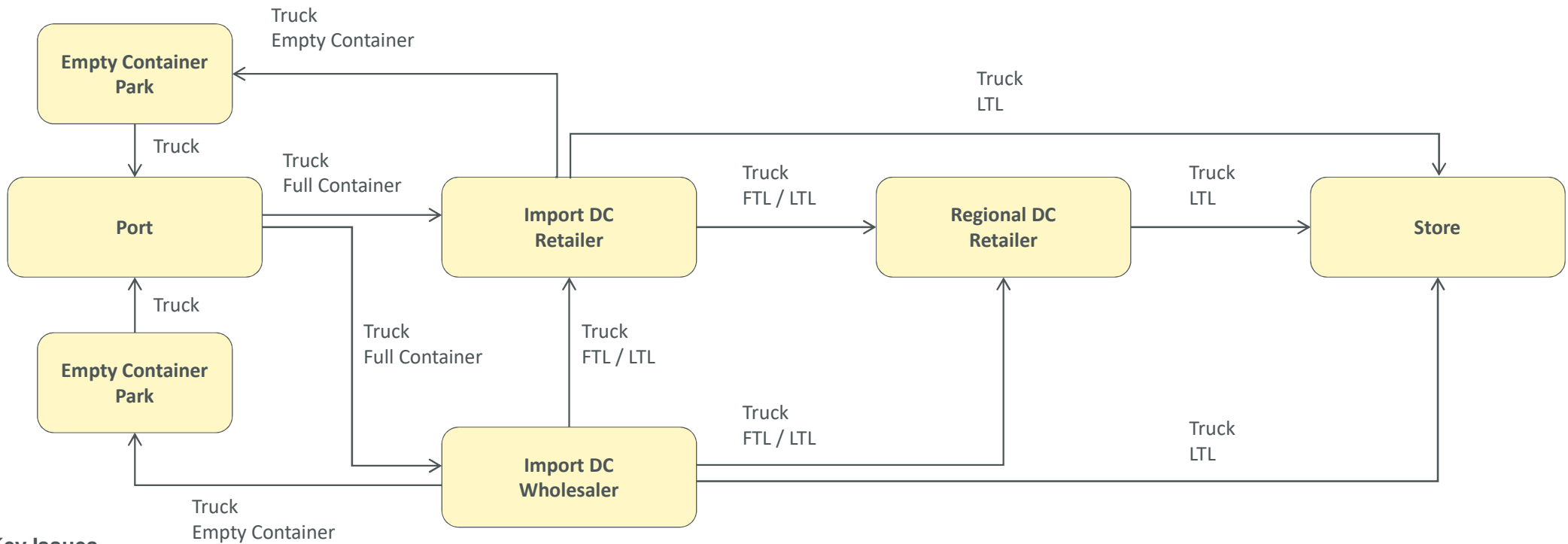


Key Milestones

Indicative timeline of Moorebank's key milestones

Date	Milestone
January 2017	Financial Close (Day 1 of Project)
Q1 – 2019	Commencement of operation of IMEX Rail Terminal
Q2 – 2019	Commencement of new warehousing operations
Q1 – 2021	Commencement of operation of Interstate Rail Terminal
January 2027	Warehouses fully developed – Project completed

Current Import Supply Chains



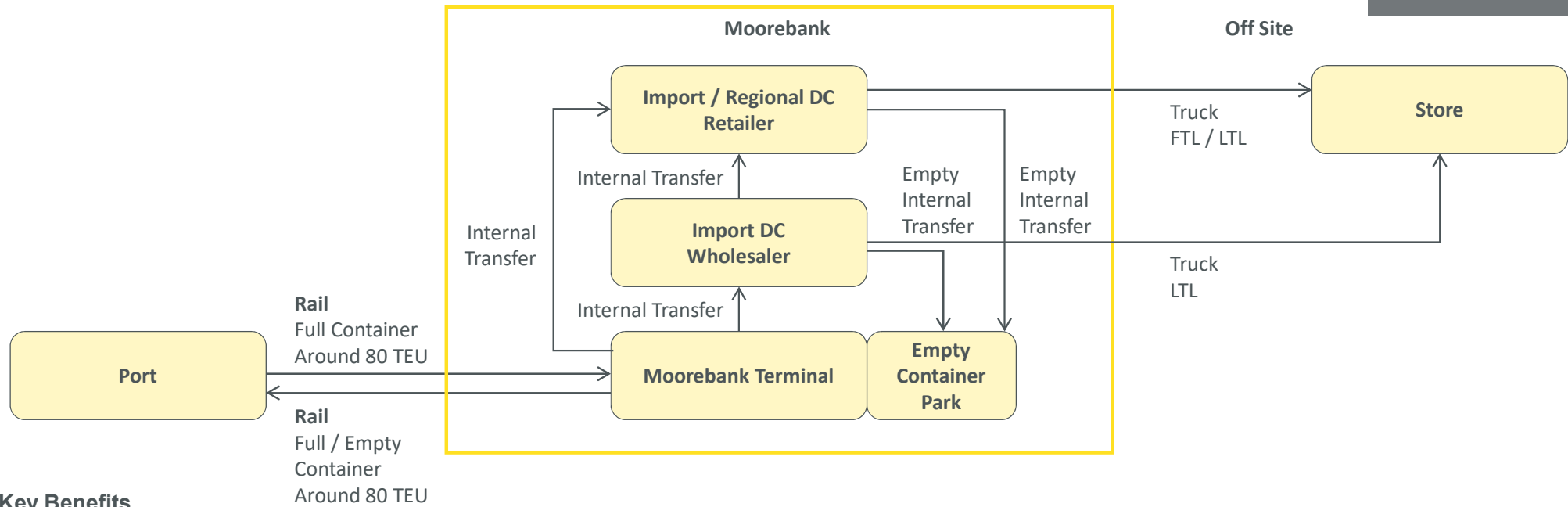
Key Issues

- Multiple handling
- Lack economies of scale
- Costly

Notes: DC = Distribution Centre; FTL = Full Truckload; LTL = Less Than Truckload

Future Import Supply Chains

Primary Transport (B2B)



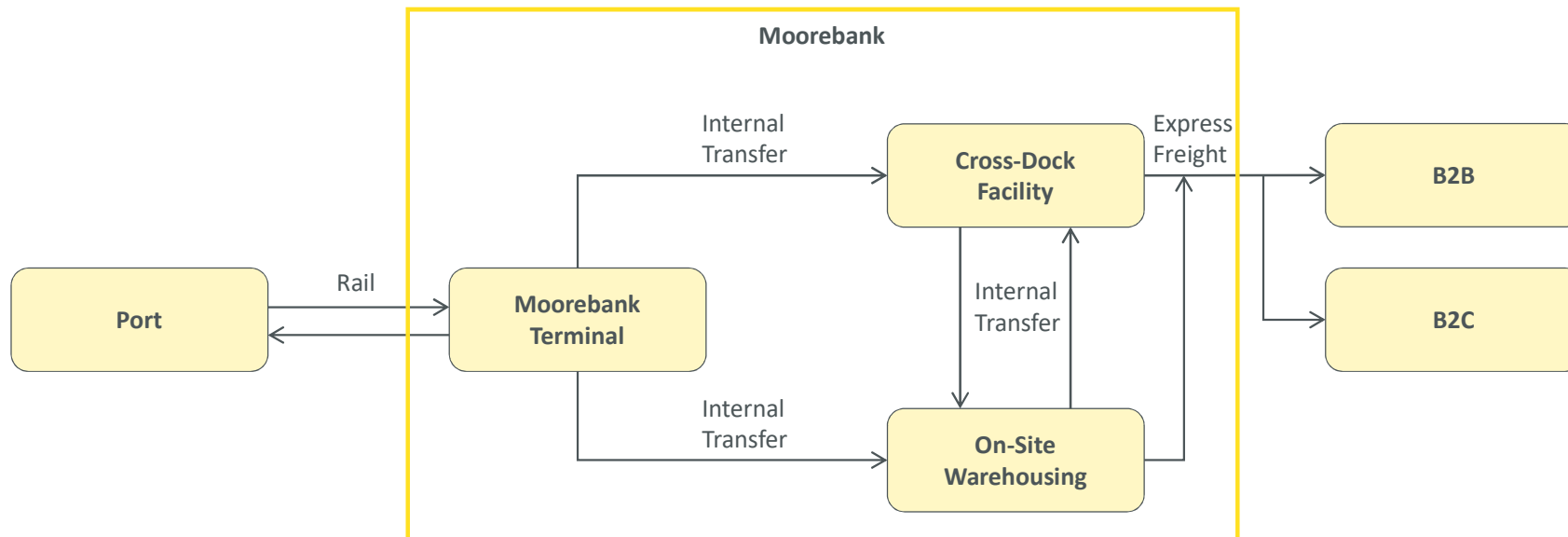
Key Benefits

- Highly efficient Port Botany to Moorebank rail operations will reduce logistics costs by replacing primary trucking
- On-site warehousing will benefit from being co-located with IMEX and Interstate Terminals, resulting in lower primary transport costs
- Empty de-hire at Moorebank (and rail back to port) drives further efficiencies
- Co-location with Interstate Terminal will drive further opportunities for operational synergies
- Co-location with complementary businesses will drive further (secondary transportation) savings

Future Supply Chain Opportunities

Secondary Transport (B2B and B2C)

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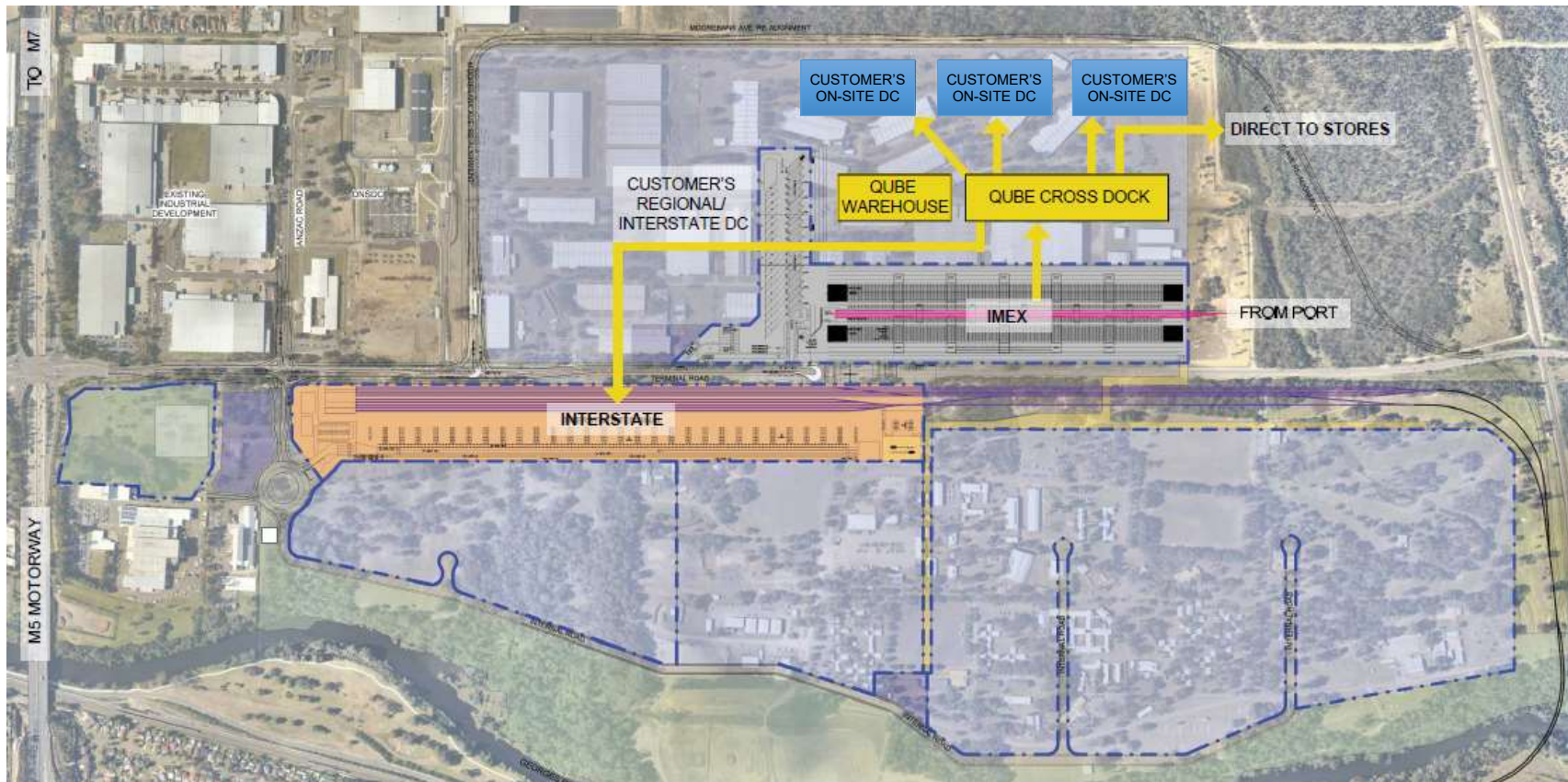
Example

- Standard 20 foot container = around 22 pallets / 350 cartons
- Cross-Docking of product reduces current multiple handling
- Savings include lower transportation / handling, lower warehousing requirements and lower working capital / inventory costs

Future Opportunities

Potential for a customer's products to be cross-docked through Qube facility, enabling supply chain efficiencies

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WHY MOOREBANK?



SIZE

Australia's largest intermodal freight precinct; unable to be replicated.



VOLUME

Qube will operate IMEX port shuttle and interstate terminals handling up to 1.5 million TEU per annum.



SUPPLY CHAIN IMPROVEMENT

Moorebank Logistics Park will enable transformation of the supply chain.

Efficient container logistics to and from the port, resulting in supply chain improvements, reliability and superior environmental outcomes.



COMPLEMENTARY TENANTS

Co-location with suppliers will drive significant cost savings and operating synergies.



FLEXIBILITY

Take property costs off your balance sheet.

PLANNING

Whole of precinct solution. 243 hectares of land in South Western Sydney.

SCALE

Up to 850,000 square metres of integrated warehousing when fully developed;
Up to 80,000 square metres (GLA) of existing warehouse available for lease.



INTERSTATE AND REGIONAL DISTRIBUTION

Co - location supports efficient NDC operating model.

METRO DISTRIBUTION

Proximity to M5/M7 junction, major consumption and growth markets will drive savings in downstream logistic activities.



MANAGEMENT AND OPERATIONS

Qube has development, operating, property and asset management rights for the project.

Enhanced Environmental Benefits

- Reduce truck movements by day between Port Botany and Moorebank by **3,000 containers**

- Reduce the distance travelled by long distance interstate freight trucks by **93,000 kilometres every day** (34 million kilometres per annum, saving **41,000 tCO₂e emissions**)

- **Generate 65,000 MWh/year from renewable energy** sources installed on site, capable of powering over 10,000 homes

- Reduce the distance travelled by container trucks on Sydney's road network by **150,000 kilometres every day** (56 million kilometres per annum, saving **73,000 tCO₂e of emissions**)

- Deliver net annual carbon emissions savings equivalent to **removing 11,000 vehicles from the road for a full year** or burning 25,000 tonnes of coal

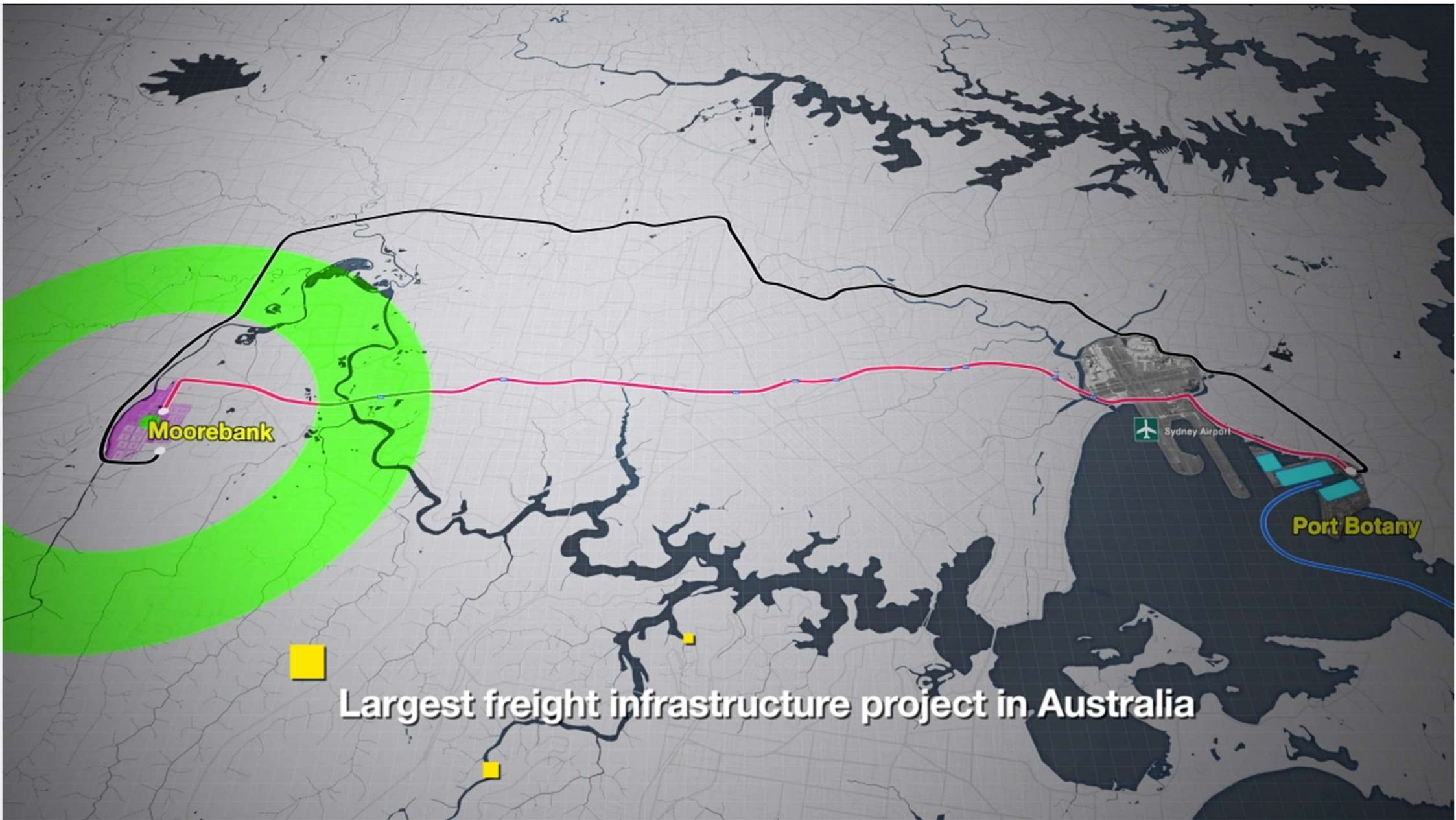
- Moorebank's low emissions transport and freight facilities rewarded by **CEFC recognition**

What is Qube Selling / Marketing?

The QUBE logo is displayed in yellow text on a dark grey rectangular background in the top right corner of the slide.

A competitive **leasing agreement** that provides logistics benefits such as:

- Container availability at Day 0 or earlier takes time out of customers supply chains
- Recirculation of containers will reduce costs for both importers and exporters
- Co-location of tenants takes costs out of their current supply chains
- Qube / Importer benefits by saving the cost of returning empty containers to Port Botany
- Earlier cargo availability for national distribution as Botany is first port of call for many shipping services
- Containers can be stored at Moorebank and re-allocated for exports at Moorebank. Hence, Qube / Exporter benefits by saving the cost of picking up an empty from Port Botany and moving it to a rail terminal for loading onto a regional train
- Amazon is coming and some retailers need to move to the cross-dock and B2B, B2C model to stay competitive, i.e. reducing warehouse footprint and inventory on the balance sheet



Moorebank

Sydney Airport

Port Botany

Largest freight infrastructure project in Australia

Questions & Discussion

QUBE

