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ASX Announcement

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Joint consortium enters binding agreement to acquire Asciano

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Key highlights

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- A joint consortium comprising Qube, GIP, CPPIB, CIC Capital, Brookfield Infrastructure, GIC, bclMC and QIA has entered into a binding agreement to acquire Asciano
- All cash consideration of \$9.15 per Asciano share (reduced by the cash value of any permitted special dividend), representing the \$9.28 per share announced on 23 February 2016, reduced by the amount of the interim dividend of \$0.13 per share declared by Asciano on 24 February 2016 which is payable on 24 March 2016
- Qube, together with Brookfield Infrastructure and its co-investors¹, will acquire the Patrick Container Terminals Business for \$2,915 million in a 50/50 joint venture
- Highly attractive outcome for all stakeholders. The transaction is expected to be transformational for Qube with significant benefits anticipated, including from the realisation of synergies

Overview

Qube Holdings Limited ("Qube"), together with its joint consortium members (or their respective controlled entities) comprising:

- Global Infrastructure Management, LLC (on behalf of itself and its managed funds and clients) ("GIP");
- Canada Pension Plan Investment Board ("CPPIB");
- CIC Capital Corporation ("CIC Capital");
- Brookfield Infrastructure Partners Limited as general partner of Brookfield Infrastructure Partners L.P. ("Brookfield Infrastructure");
- GIC Private Limited ("GIC");
- British Columbia Investment Management Corporation ("bclMC"); and
- Qatar Investment Authority ("QIA").

(collectively, the "Joint Consortium"), is pleased to announce that it has entered into a Scheme Implementation Deed with Asciano Limited ("Asciano") providing for a scheme of

¹ Brookfield Infrastructure will acquire its 50% interest in the Patrick Container Terminals Business together with its co-investors GIC, bclMC and QIA.

arrangement under which all the issued shares in Asciano are acquired and its businesses separated among the joint consortium partners (the "Transaction").

Under the Transaction, Asciano shareholders will receive all cash consideration of \$9.15 per share. The consideration represents the \$9.28 per share announced on 23 February 2016, less the interim dividend of \$0.13 declared by Asciano on 24 February 2016 which is payable on 24 March 2016. The consideration will be reduced by the amount of any special dividend that is paid in respect of the Transaction, with the scheme implementation deed permitting payment of a special dividend of up to \$0.90 per share. The special dividend may enable franking benefits of up to \$0.39 per share to be distributed to eligible Asciano shareholders.

Under the Transaction:

- GIP, CPPIB, CIC Capital, GIC and bcIMC will (via a direct or indirect jointly-owned entity ("BidCo")) acquire the Pacific National rail business. This would be effected by way of a scheme of arrangement under which BidCo would acquire all of the issued shares in Asciano (other than those held by Brookfield and Qube) (the "Scheme"), as well as the Asciano Shares held by Brookfield and Qube (in each case at the same time as implementation of, and at the same price as offered under, the Scheme); and
- The Asciano ports businesses will be acquired as follows:
 - Qube, together with Brookfield Infrastructure and its co-investors GIC, bcIMC and QIA (via a jointly-owned entity), will acquire the Patrick Container Terminals Business for \$2,915 million in a 50/50 joint venture; and
 - Brookfield Infrastructure, GIC, bcIMC and QIA will (via a jointly-owned entity) acquire the Bulk & Automotive Ports Services Business (including the 50% shareholding interest in Australian Amalgamated Terminals and related shareholder loans ("AAT") for \$925 million (the "BAPS Businesses"). Qube has the right to subsequently acquire the 50% interest in AAT out of the BAPS businesses for \$150 million, subject to ACCC clearance, or to nominate a third party buyer.

To give effect to the Transaction, Asciano has entered into a binding Scheme Implementation Deed with the Joint Consortium as well as share purchase agreements with relevant parties in relation to the acquisition of the Patrick Container Terminals Business and the BAPS Businesses.

The Bid Implementation Deed and related Ports and BAPS share purchase agreements in relation to the Qube Consortium Proposal which was previously recommended by the Asciano board on 16 February 2016 have now been terminated. The Asciano board is now unanimously recommending the Transaction and that Asciano shareholders should vote in favour of the Scheme, in the absence of a Superior Proposal and subject to an independent expert opining that the Scheme is in the best interests of Asciano shareholders. ASIC has granted certain relief to the Joint Consortium and to the Qube Consortium in connection with the Transaction. Please refer to Asciano's announcement regarding the Transaction under 'ASIC Relief' for further detail.

The Transaction is expected to be transformational for Qube with significant benefits anticipated, including from the realisation of synergies.

Qube Managing Director Maurice James, said: “Entering into binding documentation in relation to the Transaction represents a significant step forward in the realisation of Qube's strategy to dramatically improve the efficiency of the container import and export chain. I believe the agreement we have now reached represents the most common sense resolution to the ownership of Asciano and delivers the best result for all stakeholders. We look forward to working with Asciano to complete this Transaction and to welcoming Brookfield as our new joint venture partner.”

Further details of the benefits for Qube are set out in the ASX announcement and investor presentation in relation to Qube's equity raising which have been released in conjunction with this announcement.

Conditions of the Transaction

The Transaction is subject to a number of Conditions Precedent, including:

- Obtaining all required regulatory approvals, including ACCC, FIRB, ASX, ASIC, EU Merger Regulation and OIO;
- Asciano shareholder approval of the Scheme;
- An independent expert issuing an Independent Expert's Report concluding that the Scheme is in the best interests of Asciano Shareholders (excluding members of the Joint Consortium);
- Court approval of the Scheme;
- No regulatory restraints;
- No Asciano Prescribed Occurrence;
- No Asciano Material Adverse Change; and
- Receipt of certain third party consents and approvals.

Further details on the Conditions Precedent to the Transaction are set out in the Scheme Implementation Deed attached to this announcement.

ACCC approvals

The Transaction is subject to ACCC review and the requirement for ACCC clearance. The Joint Consortium parties have had extensive engagement with the ACCC in relation to the previous Qube Consortium and Brookfield Consortium proposals and the likely areas of ACCC interest are well understood.

The Transaction has been structured to address potential competition issues. In particular:

- Brookfield Infrastructure will not acquire any interest in the Pacific National rail business; and
- Qube will not acquire any interest in the BAPS Businesses.

Further, the exercise of the Qube right to acquire the remaining 50% shareholding interest in AAT from Asciano is a separate transaction which will be subject to separate ACCC review process.

The Joint Consortium parties will shortly lodge a detailed submission with the ACCC in relation to the proposal and anticipate that the ACCC will release its review timeline following an initial review of that submission.

Transaction timetable

An indicative timetable of key dates in relation to the Transaction is set out below. Implementation of the Transaction is anticipated by late June 2016, however this remains subject to change, including in relation to the timing of satisfaction of the Conditions Precedent.

Further details will be released in due course, including at the point of release of Asciano's Scheme Booklet in relation to the transaction.

Event	Date
Announcement and signing of Scheme Implementation Deed	Tuesday, 15 March 2016
First Court Hearing	Late April 2016
Scheme Booklet released to Asciano shareholders	Early May 2016
Scheme Meeting	Early June 2016
Second Court Hearing	Early June 2016
Implementation Date	Late June 2016

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