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## **ASX Announcement**

### **Formation of New Joint Venture, Bulk Haulage Acquisitions and Capital Raising**

#### **Investment in Grain Rail Haulage and Infrastructure**

Qube Holdings Limited (**Qube**) today announced that it has formed a joint venture (**Quattro Grain**) with a subsidiary of Noble Group (**Noble**) to develop and operate a major new multi-user grain handling facility at Port Kembla, New South Wales. Qube and Noble have each granted separate call options to the Cargill Group and the Emerald Group which, if fully exercised, would enable each of those parties to acquire a 20% interest in Quattro Grain.

As part of the broader transaction, Qube will also enter into separate bulk rail haulage contracts with each of Noble, the Cargill Group and the Emerald Group under medium term take-or-pay contracts.

Details of the transaction are contained in the separate ASX announcement released earlier today by Qube.

#### **Bulk Haulage Acquisitions**

Qube is pleased to advise that it has recently completed two acquisitions to expand and diversify its bulk haulage capabilities for a total consideration of approximately \$40 million (including deferred consideration).

On 20 February 2014, Qube completed the acquisition of Walmsley Bulk Haulage (**Walmsley**), a small specialist ore haulage business servicing key Pilbara customers. This acquisition complements Qube's existing activities in Port Hedland, Western Australia.

On 21 March 2014, Qube completed the acquisition of Beaumont Transport (**Beaumont**). Beaumont is a bulk haulage and logistics company operating in Queensland. The acquisition provides Qube Ports & Bulk with geographic diversification of its bulk logistics operations into southern and central Queensland with an existing customer base, assets, depots and experienced personnel. It also provides additional diversification into the bulk dry tanker market.

These acquisitions were funded from Qube's existing debt facilities.

## Capital Raising

Qube will undertake a fully underwritten placement of new shares to raise up to approximately A\$200 million (**Placement**).

A non-underwritten share purchase plan will also be made available to the Company's eligible investors in Australia and New Zealand, to raise up to A\$30 million (**Plan**).

The funds raised under the Placement and the Plan will be used to fund proposed capital expenditure associated with the Quattro Grain joint venture and related rolling stock, reduce debt and provide capacity to fund other capital expansion initiatives presently under consideration.

Qube expects to have undrawn debt facilities and cash of around \$355 million following completion of the Placement.

Shares issued pursuant to the Placement and the Plan will not be entitled to Qube's interim dividend to be paid on 4 April 2014.

### *Underwritten Placement*

The Placement will be conducted by way of a variable price bookbuild to qualified institutional and sophisticated investors with an underwritten floor price of A\$2.12 (**Underwritten Floor Price**) per new share (**New Share**). The final price will be determined via the bookbuild.

The Underwritten Floor Price per New Share represents a discount of 4.9% to last close of A\$2.23 on Wednesday 26 March 2014.

Qube will remain in trading halt today while the placement is conducted. Trading in Qube shares is expected to recommence tomorrow, or such other time that is announced to the market. New Shares issued under the Placement will rank equally with existing shares, and are expected to settle on Wednesday 2 April 2014, and be allotted on the following business day, Thursday 3 April 2014.

UBS AG, Australia Branch is lead manager and underwriter to the Placement.

### *Share Purchase Plan*

The Board has also resolved to undertake the Plan offer to its existing investors. The Plan will provide eligible shareholders the opportunity to increase their holdings in Qube at the same price at which Qube undertakes the Placement, and is open to shareholders registered at 7.00pm (Sydney time) on Wednesday 26 March 2014 with a registered address in Australia or New Zealand (**Eligible Shareholders**). The issue price for shares under the Plan will be the issue price under the Placement. The acquisition of shares under the Plan will be free of brokerage and transaction costs, and Eligible Shareholders can apply for up to A\$15,000 of shares under the Plan.

The Plan proposes to raise up to A\$30 million, and applications from Eligible Shareholders will be scaled back if necessary. The Plan will not be underwritten. Full details of the Plan will be announced shortly.

For further enquiries, please contact:

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Further information in relation to the specific details of the Placement described in this announcement including important notices and key risks in relation to certain forward looking information is set out in an investor presentation released to ASX today by Qube. The information in the 'Important Notice and Disclaimer' and 'Key Risks' sections of the investor presentation applies to this announcement as if set out in full in this announcement. This press release includes "forward looking statements" within the meaning of securities laws of applicable jurisdictions. Forward looking statements can generally be identified by the use of the words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" "guidance" and other similar expressions. Indications of, and guidance on, future earning or distributions and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Qube, and its officers, employees, agents or associates, that may cause actual results to differ materially from those expressed or implied in such statement. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and Qube assumes no obligation to update such information.