

The QUBE logo is displayed in a bold, yellow, sans-serif font against a dark grey rectangular background.

27 November 2018

QUBE HOLDINGS LIMITED
ABN 14 149 723 053

Level 27, 45 Clarence Street
Sydney NSW 2000

T: +61 2 9080 1900
F: +61 2 9080 1999

qube.com.au

ASX Announcement

Investment in Port Botany rail infrastructure

NSW Ports has today announced a significant investment in rail infrastructure at Port Botany.

Please see **attached** announcement and fact sheet.

Further Enquiries:

Media
Paul White
Director Corporate Affairs
+61 417 224 920

Paul Lewis
Chief Financial Officer
+61 2 9080 1903



\$120 million investment to boost rail capacity at Port Botany

NSW Ports is set to invest in 'on-dock' rail infrastructure capacity at each of the three container terminals at Port Botany, commencing in 2019. Investment will be staged, with stevedores being required to invest in rail operating equipment to meet target terminal capacities.

Marika Calfas, Chief Executive Officer, NSW Ports said "The growth of containers on rail is a key objective in NSW Ports' Masterplan, to cater for the growing trade needs of NSW. This investment will build greater rail capability at the port, supporting the Government's investment in completing the Port Botany rail duplication and ongoing investments in large scale intermodal rail logistics centres at Enfield and Moorebank.

"Over the next four years, NSW Ports will invest \$120 million on Stage 1 of this uplift to create new on-dock rail capacity at Patrick's Port Botany Terminal. The new rail terminal will ultimately deliver 1 million TEU capacity. In time NSW Ports will invest at the other two container terminals.

"Increasing rail capacity at the Port means a faster, cheaper, more sustainable way for exporters and importers to get their product to market." Ms Calfas said.

The investment will reduce the growth in truck movements around the port. When fully operational this investment will reduce truck kilometres travelled in Sydney by at least 10 million per year. This will save over 2 million litres of diesel per year which is the equivalent to a net reduction in CO₂ emissions of more than 5,400 tonnes a year.

Michael Jovicic, Chief Executive Officer, Patrick said: "Patrick currently handles a large volume of rail based containers and is focussed on growing and optimising our rail offering. NSW Ports' investment in rail infrastructure will be accompanied by Patrick's \$70million investment in operating equipment and systems to deliver 1 million TEU capacity. Our agreement with NSW Ports will significantly increase our terminal's rail capacity and enhance productivity and efficiency in container movements at the port".

To fund the investment, NSW Ports will implement a modest increase of \$3.08 in wharfage fees on full imports and exports from 1 July 2019. This has been spread over the long term to minimise the wharfage increase and will be removed once the cost of the investment has been recovered.

Work will begin next year and is planned for completion by 2023. Rail operations at Patrick are expected to continue during the construction period.

-ENDS-

About NSW Ports

Our vision is to be a world class port and logistics manager driving sustainable growth.

NSW Ports manages Port Botany and Port Kembla, key export and import gateways connecting to global and domestic markets, and the Enfield Intermodal Logistics Centre and the Cooks River Intermodal Terminal.

NSW Ports is a private consortium of leading institutional investors: IFM Investors (including Cbus, HESTA and Hostplus), AustralianSuper, Tawreed Investments Limited and Q Super. Our shareholders represent over six million Australian superannuation fund members and are long term investors with interests in a range of Australian infrastructure assets.

Media contact: Paul Matthews: paul.matthews@nswports.com.au; 0458 566 179



Rail Capacity Investment



NSW Ports is investing to improve rail infrastructure capacity at Port Botany.

NSW Ports is set to invest in 'on-dock' rail infrastructure capacity at each of the three container terminals at Port Botany, commencing in 2019. Investment will be staged, with stevedores being required to invest in rail operating equipment to meet target terminal capacities.

NSW Ports plans to improve rail capacity at each of the three stevedores operating at Port Botany, ultimately increasing Port rail capacity to 3 million TEU. Port Botany is the only port in Australia with direct rail connections. The investment will enhance rail infrastructure bringing a faster, cheaper and more sustainable way for exporters, importers and NSW farmers to get their product to market.

The first phase of the rail investment will be at the Patrick stevedoring facility. A new rail terminal will be built over four years and will ultimately deliver 1 million TEU per year rail capacity. Patrick will invest \$70million in rail operating equipment and systems to deliver 1 million TEU capacity.

The investment will significantly increase the number of containers able to be carried by rail to and from Port Botany. Improving the capacity and efficiency of rail at the port will provide significant benefits for importers, exporters, communities and businesses across NSW.

Increasing capacity and meeting future growth: We are investing in rail so that we can continue to grow the capacity of the port which in turn supports the growth of the NSW economy. This is a key part of NSW Ports' Master Plan, published in 2015.

Increasing rail capacity will ensure Port Botany is able to cater for recently opened intermodal facilities (Enfield 2016) and those about to open (Moorebank 2019) and able to service regional NSW exports.

This investment is also a major step forward in achieving the NSW Government's target of increasing the road to rail share of freight at Port Botany to 28 per cent by 2021.

This is a significant investment that will help improve efficiency of the port and provide significant benefits for importers and exporters. Investing in new rail infrastructure will improve supply chain efficiency well beyond the port. Businesses and communities all over regional NSW and metropolitan Sydney will benefit from new investment in rail infrastructure.

Benefits of Stage 1 Rail Investment

Rail capacity at Port Botany: Doubling of port side rail capacity from 750,000 to 1.5 million TEUs.

Number of trains: Port Botany will have the ability to double existing train numbers from 16 to 32 per day. This will allow for more rail services for cargo owners including more regional trains.

Faster: Servicing trains will be faster at the Patrick Terminal. The investment will deliver facilities with 4 rail sidings that are 600m long. 600m sidings will reduce splitting and shunting of trains, enabling trains to be turned around at least an hour quicker. That is a 33% reduction in turnaround time that directly benefits exporters, regional farmers and cargo owners.

The use of new automated rail mounted gantries will allow faster stripping and loading of trains.

Cheaper: Time savings for rail operators should lead to cost savings for farmers and other regional exporters. The investment will eventually enable three trains to be serviced at any given time. Greater use of rail transport removes the need for some goods to be transported by road.

Intermodal hubs like Moorebank and Enfield will be able to introduce extra train shuttles to service the port. Extra shuttles can also be deployed from existing intermodals that wish to grow their freight task. Greater access to rail and port services in this way will benefit regional and metropolitan NSW and Sydney businesses and communities.

Local benefits: Increasing rail capacity at Port Botany will alleviate the growth in truck movements on Sydney roads. For every 1 million TEUs put on rail annually we reduce the number of trucks on the road by 900 trucks per day.

This investment will reduce truck kilometres travelled in Sydney by at least 10 million per year. Once fully operational the investment will save over 2m litres of diesel per year. Equivalent to net reduction in CO2 emissions of more than 5,400 tonnes a year.

Alignment with other priorities

This investment aligns with other important rail investments including: Port Botany freight rail line duplication (Commonwealth funding announced), Moorebank intermodal terminal, Enfield Intermodal Logistics Centre and NSW Freight and Ports Plan (NSW Government)

Investment

NSW Ports is investing up to \$120 million over the next four years for the first phase of the rail enhancement program. Patrick will make a complementary investment of \$70million in rail operating equipment and systems to deliver 1 million TEU capacity.

To fund the investment, NSW Ports will implement a modest increase of \$3.08 in wharfage fees on full imports and exports. This increase will come in to effect from 1 July 2019 and is being spread over the long term to minimise the wharfage increase and will be removed once the investment has been recovered.

Timing

The first phase of the rail enhancement program will start in 2019 and is planned to be completed by 2023. Rail access to the Patrick terminal is intended to remain throughout the project delivery.

About Port Botany: critical trade gateway

Port Botany is a critical trade gateway for the NSW economy contributing \$3.7bn annually towards NSW GSP and over 25000 jobs. The port is the state's primary container, bulk liquids and gas port, serving Australia's largest population centre.

Facilities include three container terminals operated by independent stevedores. Each container terminal has an on-dock rail facility connected by a freight-dedicated rail line to existing and future intermodal hubs across metropolitan Sydney and regional New South Wales.

Investment in rail infrastructure and transportation is a key part of NSW Ports' 30 year vision. One of our major goals is to expand and optimise the use of rail infrastructure. This includes growing the rail transport of containers in the long term to 3 million TEUs per year.

www.nswports.com.au