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The QUBE logo consists of the word "QUBE" in a bold, yellow, sans-serif font. The letter "Q" is stylized with a small gap at the top. The logo is set against a dark grey rectangular background.

ASX and Media Release

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Qube confirms commitment from Woolworths to new Regional and National Distribution Centres at Moorebank Logistics Park

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Qube Holdings Limited (ASX:QUB) today announced it has exchanged two Agreements for Lease and two Development Management Agreements with the Woolworths Group to develop new major warehousing across 26 hectares at Moorebank Logistics Park, the largest intermodal logistics precinct in Australia.

Both leases, comprising a 40,700 sqm national (NDC) and a 34,600 sqm regional (RDC) distribution centre are on initial 20 year terms with 6 x 5 year options.

The new facility for Woolworths will consolidate operations into a unique purpose built high bay facility, leveraging world leading advancements in retail, supply chain and semi-automated and automated technology.

Subject to NSW Government planning approvals, the NDC is expected to commence operations in 2023 with the RDC opening in 2024, with the facilities anticipated to reach full capacity from 2025.

Under the two Development Management Agreements, Woolworths is developing the warehouses and Qube is funding their construction. Qube's capital commitment for the base building construction is expected to be between \$420 and \$460 million which will be incurred over the next three to four years with revenue of approximately \$30 million per annum when fully operational. Woolworths Group will invest around \$700 - \$780 million in the technology and fitout of the two distribution centres over the next four years.

The development of the two facilities will provide more than 1,000 construction jobs prior to the commencement of the new operations.

An air bridge between the sites will reduce transport requirements by allowing NDC pallets to be cross docked to the RDC removing shuttle transport and allowing product to be efficiently received and processed between the distribution centres.

Key design aspects of the RDC and NDC will focus on health and well-being, including safety features to reduce manual handling and improve dock safety.

Each warehouse is targeting a Five Star Green Star Design and As-Built rating and will incorporate various sustainability initiatives including solar PV systems, LED warehouse lighting and rainwater harvesting.

Maurice James, Managing Director, Qube welcomed Woolworths to Moorebank.

“We’re delighted Woolworths has recognised the significant competitive advantages available to tenants at the Moorebank Logistics Park.”

“The benefits of railing containers direct from Port Botany to a terminal co-located with warehousing across a site the size of the Sydney CBD will deliver Woolworths time and cost efficiencies” he said.

“Our project team is looking forward to working with the Woolworths team in delivering an optimal solution for their operations.”

“Woolworths’ long term commitment will reinforce the commercial appeal of this nationally important infrastructure and freight project.” Mr James added.

Woolworths Group CEO Brad Banducci said: “The investment at Moorebank will transform the way we serve our NSW stores, strengthen our network and deliver on our ambition to create Australia’s best food and grocery supply chain.”

“The new facilities will help us improve on-shelf product availability with faster restocking, reducing congestion in stores, and enabling a safer work environment for our teams with less manual handling.”

Moorebank Logistics Park

Qube is developer, manager and operator of the Moorebank Logistics Park on 243 hectares in south-western Sydney under a 99-year lease from the Commonwealth. The Commonwealth owned Moorebank Intermodal Company is overseeing the development of the precinct.

When fully developed, the precinct will include up to 850,000sqm of integrated warehousing. The scale of available warehousing will allow tenants at Moorebank Logistics Park to expand when required and facilitate co-suppliers to locate their own warehouses within the park.

A direct rail link to Port Botany commenced operations in September 2019 and an interstate rail terminal will be developed in the future. When complete, the facility will have the capacity to support the transport of 1.5 million TEU between Port Botany and Moorebank and the national freight network.

The shift from road to a dedicated rail line will remove thousands of heavy truck movements off Sydney’s road network daily.

Qube firmly believes that rail is the most cost efficient mode of freight transport to Sydney’s South West enabling containers to be delivered to warehouse, with the opportunity for goods to be unpacked and dispatched to customers on the same day as the container is unloaded from the ship.

An economic benefits study forecasts the facility will generate around 6,800 jobs, \$11 billion in economic benefits, reduce greenhouse gas emissions by more than 110,000 tonnes a year, ease traffic pressures on Sydney’s road network, and streamline the supply chain to deliver cost savings to business and consumers.

Moorebank Project Capex Update

Under the Precinct Master Plan, the current Moorebank Avenue is to be realigned in the future to outside the Precinct area.

However, prior to the realignment occurring NSW Government planning approvals required an upgrade of part of the existing Moorebank Avenue to allow the logistics park to commence operations.

As previously announced, there was a commercial dispute between Qube and MIC regarding who had responsibility for funding this upgrade of part of the current Moorebank Avenue.

An arbitrator has recently determined that part of those works are not MIC funded works as they are not in the alignment shown in the Precinct Master Plan. As a result of this decision, Qube's capital expenditure for these works is expected to increase by around \$60 million.

Further, as part of its normal budget process, Qube is presently reviewing its expected minimum future capital expenditure for the Moorebank project. At this stage, it is expected that in addition to the matter referred to above and capital expenditure in relation to the two Woolworths warehouses, the minimum expected capital expenditure to be funded by Qube will be higher than previous forecasts.

This comprises additional roadworks as required by Transport for New South Wales, storm water retention works (required under the NSW Planning Approval issued in November 2019), IMEX automation components and land preparation works (higher specification warehouse requirements).

An updated estimate of Qube's expected minimum capital expenditure, as well as an update on the property monetisation process being undertaken by Qube will be provided with Qube's full year results release.

Investor Call

Qube will host a conference call in relation to this announcement today at 4.00pm (Sydney time). Please pre-register prior to the conference call via the following link:

<https://s1.c-conf.com/diamondpass/10008082-invite.html>

Following pre-registration, participants will receive the teleconference details and a unique access passcode for the call.

Authorised for release by:

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