

Qube Holdings Limited
(ABN 14 149 723 053)
APPENDIX 4D Half Year Report 31 December 2016

Results for Announcement to the Market

Statutory Information

Set out below are the statutory results for Qube Holdings Limited (Qube) and its controlled entities for the half year ended 31 December 2016.

	Dec 2016 \$m	Dec 2015 \$m	Movement %
Revenue from ordinary activities and other income	755.0	689.5	9.5%
EBITDA ¹	137.1	135.8	1.0%
Profit from ordinary activities after tax attributable to members	47.8	49.0	-2.4%
Net profit for the period attributable to members	47.8	49.0	-2.4%
Basic earnings per share (cents per share)	3.5c	4.6c ²	-23.9%
Diluted earnings per share (cents per share)	3.5c	4.6c ²	-23.9%
Interim dividend per share (fully franked)	2.7c	2.7c	0.0%

¹EBITDA is statutory net profit before tax adjusted to remove share of profit of associates, net finance costs, depreciation and amortisation.

²Adjusted for entitlement offer.

Underlying Information*

Qube reported a solid result for the half year ended 31 December 2016.

	Dec 2016 \$m	Dec 2015 \$m	Movement %
Underlying information			
Underlying Revenue	757.8	689.5	9.9%
Underlying EBITDA	137.8	138.7	-0.6%
Underlying EBITA	87.9	93.3	-5.8%
Underlying net profit for the period attributable to members	62.1	52.2	19.0%
Underlying net profit for the period attributable to members pre- amortisation	67.7	55.4	22.2%
Underlying diluted earnings per share (cents per share)	4.6c	4.9c	-6.1%
Underlying diluted earnings per share pre - amortisation (cents per share)	5.0c	5.2c	-3.8%

* The underlying information excludes certain non-cash and non-recurring items in order to more accurately reflect the underlying financial performance of Qube. 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. Non-IFRS financial information has not been subject to audit or review.

Underlying Information (continued)*

Further commentary on the performance of Qube and its operating businesses is set out in the financial statements and ASX announcement issued with this Appendix 4D.

A reconciliation of the statutory results to the underlying results for the half year ended 31 December 2016 is presented below:

	Dec 2016	Dec 2015
	\$m	\$m
Revenue from external customers	755.0	689.5
Other adjustments	2.8	-
Underlying revenue	757.8	689.5
Net profit before income tax	55.4	77.2
Share of loss/(profit) of equity accounted investments	22.7	(5.2)
Net finance cost	4.5	13.9
Depreciation and amortisation	54.5	49.9
EBITDA	137.1	135.8
Asciano Ports business acquisition related advisor costs	-	2.8
Stamp duty	0.3	-
Restructure costs	0.4	-
Other adjustments (net)	-	0.1
Underlying EBITDA	137.8	138.7
Depreciation	(50.0)	(45.4)
Underlying EBITA	87.8	93.3
Amortisation	(4.5)	(4.5)
Underlying EBIT	83.3	88.8
Net finance cost excluding fair value of derivatives	(6.8)	(14.8)
Asciano Ports business acquisition related finance costs	-	2.8
Underlying net finance cost	(6.8)	(12.0)
Share of (loss)/profit of equity accounted investments	(22.7)	5.2
Underlying adjustments to equity accounted investments:		
Stamp duty	26.0	-
One-off transaction costs	4.4	-
Other non-recurring restructure costs	0.8	-
Underlying share of profit/(loss) of equity accounted investments	8.5	5.2
Underlying net profit before income tax	85.0	82.0
Underlying income tax expense	(22.9)	(23.1)
Underlying net profit for the half year	62.1	58.9
Non-controlling interests	-	(6.7)
Underlying net profit after income tax attributable to members	62.1	52.2
Underlying net profit after income tax attributable to members pre-amortisation^B	67.7	55.4
	Cents	Cents
Underlying diluted earnings per share	4.6	4.9 ^A
Underlying diluted earnings per share pre-amortisation	5.0	5.2 ^A

^A Adjusted for entitlement offer.

^B Underlying net profit/(loss) after tax pre-amortisation, includes an adjustment for Qube's proportionate share of Patrick amortisation net of tax.

The table above has been extracted from note 2 of the financial statements but is un-audited.

* The underlying information excludes certain non-cash and non-recurring items in order to more accurately reflect the underlying financial performance of Qube. 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. Non-IFRS financial information has not been subject to audit or review.

Underlying Information (continued)*

Underlying information is determined as follows:

Underlying revenues and expenses are statutory revenues and expenses adjusted to exclude certain non-cash and non-recurring items in order to more accurately reflect the underlying performance of Qube. Income tax expense is based on a prima-facie 30% tax charge on profit before tax and associates.

Dividend Information

	Amount (cents per share)	Record Date
Interim dividend - fully franked	2.7	8 March 2017
Payment date	5 April 2017	

Qube paid a fully franked interim dividend of 2.7 cents per share for the six months ended 31 December 2015 on 6 April 2016. A fully franked final dividend of 2.8 cents per share for the year ended 30 June 2016 was paid on 11 October 2016.

Dividend Reinvestment Plan

Qube operates a dividend reinvestment plan (DRP) that enables shareholders to elect to reinvest all, or a portion of, their dividends into additional shares in Qube. The DRP is available for the interim dividend payable on 5 April 2017. Shares will be issued at a discount of 2.5% to the volume weighted average market price of shares sold on the ASX over the 10 trading days immediately following the record date for payment of the dividend and will rank equally with existing ordinary shares on issue. Lodgement of the election notice for participation in the DRP is due by 5:00pm on 9 March 2017.

Net Tangible Assets per Share

The net tangible assets per share are \$1.04 per share (Dec 2015:\$0.76 per share).

Additional Information

Additional Appendix 4D disclosures can be found in the notes to the Interim Financial Report.

This Appendix 4D report is based on the 31 December 2016 Interim Financial Report which has been subject to a review by PricewaterhouseCoopers.

* The underlying information excludes certain non-cash and non-recurring items in order to more accurately reflect the underlying financial performance of Qube. 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. Non-IFRS financial information has not been subject to audit or review.