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ASX and Media Announcement

Qube performing strongly with another year of growth

Pro-forma Revenue up 35%

Pro-forma EBITDA up 62%

Qube Logistics Holdings Limited (**Qube**) today reported strong growth across its operations in both its Ports & Bulk and Logistics divisions for the full year to June 2012.

Qube reported a consolidated statutory loss after tax attributable to Qube shareholders of $2.5 million for the year ended 30 June 2012. However, as previously advised, the pro-forma results[1] provide a better reflection of the underlying performance of Qube's operations during the period as the statutory results include non-recurring costs associated with the restructure of Qube's predecessor entity (**Qube Logistics**) completed in September 2011 as well as other non-operating and non-cash expenses.

The pro-forma consolidated net profit after tax attributable to Qube shareholders was $61.5 million, an increase of 32.5% over the prior year pro-forma result for Qube Logistics. The pro-forma EBITDA for the period was $112.7 million, an increase of approximately 61.6% on the 2011 pro-forma result.

Key highlights for the twelve months include:

- Record financial results for Qube's operating divisions.
- Several strategic acquisitions and major capital investment to significantly enhance the geographical spread and breadth of Qube's logistics capabilities.
- Increased funding capacity through an $85 million placement and four year $550 million syndicated debt facility.
- Fully franked final dividend of 2.1 cents per share, a 10.5% increase on the prior year's final dividend reflecting Qube's strong result and positive outlook.

[1]References to 'pro-forma' information are 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.

Releasing the results, Managing Director Maurice James said, “2012 was a transformational year for Qube which has established the foundations for continued long-term growth.”

“These are very strong results which have been achieved despite a sometimes difficult external environment. Both operating divisions have performed well overcoming the impacts of a difficult domestic retail environment and an uncertain global economic outlook.”

“We have undertaken capital investment and made strategic acquisitions which will underpin revenue and earnings growth over the medium term and Qube is now more diversified by customers, products and geographical locations.” Mr James said.

Key pro-forma[1] and statutory financial data for FY 2012 and FY 2011 is summarised below:

Twelve Months to 30 June	**2012 Pro-forma ($m)**	**2011 Pro-forma ($m)**	**Change %**	**2012 Statutory ($m)**
Operating Revenue	836.7	621.6	34.6%	782.0
EBITDA	112.7	69.7	61.6%	33.0
EBITA	81.3	51.0	59.2%	3.0
EBIT	75.1	50.6	48.4%	(3.3)
Net Interest Expense	(13.1)	(9.2)	42.6%	(11.8)
NPBT and Associates	62.0	41.4	49.7%	(15.0)
Share of Profit of Associates	19.9	16.6	20.3%	13.2
Profit (Loss) Before Tax	81.9	58.0	41.3%	(1.8)
Final Dividend Per Share (cents)	2.1	1.9	10.5%	2.1

A reconciliation of the statutory profit before tax to the pro-forma EBITDA, and a summary of the basis of the pro-forma adjustments is set out in Attachment 1.

Ports & Bulk Division

The Ports & Bulk division delivered record results in the period and substantially improved operating margins over the prior year largely due to the contribution from capital investment made in previous periods.

Pro-forma proportional revenue increased to $441.8 million (up 31.7%) and pro-forma proportional EBITDA increased to $84.1 million (up 42.8%) due to organic growth including a full year’s contribution from the Utah Point operation and the contribution from the Giacci Holdings acquisition (acquired March 2012).

Statutory revenue and EBITDA were $301.8 million and $43.5 million respectively.

The contribution from Qube's associates in this division also increased, reflecting strong vehicle and bulk volumes during the period.

Twelve Months to 30 June (Pro-forma Proportional)	**2012 ($m)**	**2011 ($m)**	**Change (%)**
Revenue			
Qube Ports & Bulk	353.3	261.4	35.2%
Proportional share of Associates	88.5	74.1	19.4%
Pro-forma Proportional Revenue	**441.8**	**335.5**	**31.7%**
EBITDA			
Qube Ports & Bulk	55.8	35.7	56.1%
Proportional share of Associates	28.3	23.2	22.2%
Pro-forma Proportional EBITDA	**84.1**	**58.9**	**42.8%**
EBITA			
Qube Ports & Bulk	42.3	28.6	47.5%
Proportional share of Associates	22.2	17.4	27.7%
Pro-forma Proportional EBITA	**64.5**	**46.0**	**40.0%**
EBITDA Margin (%)	19.0%	17.6%	8.4%
EBITA Margin (%)	14.6%	13.7%	6.3%

See Attachment 1 for further details of the calculation of the Pro-forma and Pro-forma Proportional figures.

The ports activities benefitted from strong vehicle imports and sales which contributed to stevedoring, facilities access, storage and processing revenue. This was particularly evident in the second half of the year following recovery in vehicle production volumes overseas after severe weather events had disrupted production. Project and general cargo volumes were also strong reflecting the significant infrastructure investment being undertaken in Queensland and Western Australia.

Revenue and earnings from bulk activities increased in the period as Utah Point delivered a full year's contribution and Qube's other bulk activities benefitted from strong commodity demand for most of the period. The acquisition of Giacci significantly increased the capabilities of Qube to offer mine-to-ship logistics solutions and also diversified the customer base and commodity exposure of the group. The division also continued to develop new solutions and technological innovations to provide more flexible, environmentally friendly solutions for its customer base.

The results for the division were particularly pleasing as the businesses had to contend with a difficult industrial relations environment and several major climatic events that impacted operations during the period.

Logistics Division

The Logistics division also reported record revenue and earnings reflecting organic growth and the benefits of the recent acquisitions including a full year's contribution from Troncs Transport (acquired January 11), Mackenzie Intermodal (acquired July 11) and Victoria Dock (acquired March 12).

Pro-forma proportional revenue increased to $488.3 million (up 37.5%) and pro-forma proportional EBITDA increased to $59.9 million (up 46.1%). Statutory revenue and EBITDA were $476.8 million and $51.5 million respectively.

Twelve Months to 30 June (Pro-forma Proportional)	**2012 ($m)**	**2011 ($m)**	**Change (%)**
Revenue			
Qube Logistics	476.8	355.0	34.3%
Proportional share of Associates	11.6	0.0	0.0%
Pro-forma Proportional Revenue	**488.3**	**355.0**	**37.5%**
EBITDA			
Qube Logistics	59.3	41.0	44.7%
Proportional share of Associates	0.6	0.0	0.0%
Pro-forma Proportional EBITDA	**59.9**	**41.0**	**46.1%**
EBITA			
Qube Logistics	41.4	29.5	40.6%
Proportional share of Associates	0.6	0.0	0.0%
Pro-forma Proportional EBITA	**42.0**	**29.5**	**42.6%**
EBITDA Margin (%)	12.3%	11.6%	6.2%
EBITA Margin (%)	8.6%	8.3%	3.7%

See Attachment 1 for further details of the calculation of the Pro-forma and Pro-forma Proportional figures.

The division has continued to invest in new equipment including acquiring additional locomotives and wagons to support growth in the rail business. Qube is now a major rail provider for movement of freight to and from ports, particularly for the rural sector.

Despite the strong full year results, revenue and margins were adversely affected in the second half due to the consequential impact on Qube of the difficult retail environment impacting some of Qube's customers. Management is implementing initiatives to address this issue and improved margins are expected in FY 2013.

Qube completed the acquisition of Macarthur Intermodal Shipping Terminal Pty Ltd and its operating subsidiaries trading as the Independent Transport Group (ITG) on 22 August 2012. This acquisition provides an additional intermodal terminal facility, increased scale for its rail operations and is an important element in Qube's expansion into the provision of logistics solutions for rural commodities.

The investments and acquisitions have reinforced Qube's position as one of the leading national providers of containerised logistics solutions for the import / export sector.

Strategic Assets Division

The Strategic Assets division continued to generate stable earnings during the period from the existing tenants.

Pro-forma proportional revenue increased to $12.6 million (up 8.1%) and pro-forma proportional EBITDA increased to $9.2 million (up 3.6%). Statutory revenue and EBITDA were $5.0 million and $(0.8) million respectively.

The highlight during the period was the transaction in June 2012 whereby Qube increased its indirect ownership in the Moorebank property to 66.7% and took over responsibility for the management of the development process. As a result, from 8 June 2012, Qube consolidates the earnings of the Moorebank Industrial Property Trust (MIPT).

The Moorebank precinct has been confirmed as a key location for the development of major logistics infrastructure which should provide significant benefits for Qube's logistics activities.

Qube is continuing to actively engage with key stakeholders to seek the necessary approvals to progress the development of an inland terminal and related logistics activities on its site at Moorebank.

Corporate

Qube increased its funding capacity during the period including finalising a new four year $550 million syndicated debt facility in May 2012. These facilities were used to assist in funding the recent acquisitions, resulting in Qube's net debt increasing to approximately $325 million at 30 June 2012.

Qube has undrawn debt facilities and cash that provide it with flexibility and capacity to fund further acquisitions and investment.

Dividend

Qube is pleased to announce that it will pay a fully franked final dividend of 2.1 cents per share in respect of the 2012 financial year, an increase of approximately 10.5% over the final dividend in the prior comparable period. This increase reflects the strong underlying result achieved by Qube in the period and the positive long-term outlook.

The record date for the dividend is 7 September 2012 and the dividend will be paid on 17 October 2012. The dividend reinvestment plan will operate for this dividend and a discount of 2.5% will apply. See Attachment 2 for further details.

Qube advises that going forward, it expects to pay dividends of between 50%-60% of underlying earnings after taking into account relevant considerations including the capital needs of the business and the earnings outlook.

Outlook

In FY 2013, Qube will focus on consolidating and extracting synergies from recent acquisitions, and will undertake further investment in facilities and equipment.

Subject to no material deterioration in economic conditions or the industrial relations environment, Qube expects its businesses to deliver underlying revenue and earnings growth in FY 2013, albeit at a lower growth rate than achieved in FY 2012. This will reflect continued organic growth and the full year contribution from acquisitions and investments made during FY 2012.

Qube will continue to undertake significant investment in FY 2013 to support recent new contracts in the Ports & Bulk division, to expand and improve the facilities in the Logistics division, and to build the capacity and capability of Qube to deliver reliable, innovative solutions for its customers.

The full benefit of the investments undertaken in FY 2012 and FY 2013 will be realised from FY 2014 and beyond.

Qube also intends to change its name to Qube Holdings Limited to more effectively differentiate the corporate entity from the Qube Logistics operating division. Shareholders will be asked to approve the name change at Qube's Annual General Meeting.

Attachment 1 - Reconciliation of Statutory Results to Pro-forma Results

The table below provides a reconciliation of the net profit before tax of Qube to the Pro-forma Proportional EBITDA which is the key internal measure used to assess the underlying performance of Qube's businesses.

Year Ending 30 June 2012	Consolidated ($m)
Net profit / (loss) before tax	**(1.8)**
Add: net interest expense	11.8
Add: depreciation and amortisation expense	36.2
Less: share of profit after tax from associates	(13.2)
EBITDA	**33.0**
Add: non-cash items	
Fair value of swaps	2.8
Fair value revaluation loss relating to investment properties (net)	0.2
Add: non-recurring items relating to Qube Restructure (ex stamp-duty)	42.8
Add: non-operating items	
Stamp Duty	10.3
Refinancing costs	7.4
Share-based payments - legacy long-term incentives	8.6
Adjusted EBITDA	**105.1**
Add: Pro-forma EBITDA for 2 months to 31 August 11	7.6
Pro-forma EBITDA	**112.7**
Add: Proportional EBITDA from associates for 12 months to 30 June 12	33.0
Pro-forma Proportional EBITDA	**145.7**

The table above has been extracted from note 3 of the Financial Report but is un-audited.

The Board assesses the performance of the operating segments on a measure of Pro-forma EBITDA and Pro-forma Proportional EBITDA which are determined as follows:

- **EBITDA** is statutory net profit before tax adjusted to remove share of profit of associates, net finance costs and depreciation and amortisation.
- **Adjusted EBITDA** is EBITDA adjusted to remove the impact of non-cash items such as fair value adjustments, the non-recurring costs associated with the Qube Restructure and Qube's previous trust structure, and non-operating expenses such as refinance costs and stamp duty.
- **Pro-forma EBITDA** is Adjusted EBITDA amended to exclude distributions received from Moorebank Industrial Property Trust (MIPT) for the 2 months prior to the Qube Restructure and to include the EBITDA contributions from Qube Ports & Bulk and Minto Properties for the 2 month period prior to the Qube Restructure. For statutory purposes these entities were reflected as investments at fair value during this period.
- **Pro-forma Proportional EBITDA** is Pro-forma EBITDA adjusted to include the 12 month proportional EBITDA contribution from Qube's associates and MIPT.

Attachment 2 - About the Dividend Reinvestment Plan

The Company's dividend reinvestment plan (DRP) will operate for this dividend. Shares issued under the DRP 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 (being the period commencing 10 September 2012 and ending 21 September 2012). A copy of the terms of the DRP is available on Qube's website.

Shareholders wishing to participate in the DRP will need to elect to do so by logging onto Computershare's Easy Update service at www.computershare.com.au/easyupdate/qub. Elections to participate will need to be completed before 5pm on 6 September 2012 in order to participate in the DRP for this dividend.