Qube Holdings Limited
Investor Presentation
FY 15 Interim Results

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ABN 141 497 230 53

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Financial Highlights

QUBE

Another Record Financial Result	• Continued revenue and earnings growth in both operating divisions • Record results achieved despite continuing challenging macroeconomic conditions
Increased Statutory NPAT and EPS	• Qube NPAT up 32.8% to $54.7 million ($57.4 million pre-amortisation) • Diluted EPS up 17.4% to 5.20 cents (5.46 cents pre-amortisation)
Record Underlying NPAT and EPS	• Qube NPAT up 26.1% to $53.1 million ($55.8 million pre-amortisation) • Diluted EPS up 11.5% to 5.05 cents (5.31 cents pre-amortisation)
Substantial Financial Capacity	• Refinanced debt into $750 million five year syndicated facility • Substantial available funding capacity; improved pricing and terms
Outlook	• Multiple organic and inorganic growth opportunities being pursued across the group • Expect both operating divisions to deliver revenue and earnings growth in FY 15 • Expect continued growth in underlying earnings per share in FY 15

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Operating Highlights

Solid Growth Across Operating Divisions

- Organic growth achieved despite macroeconomic headwinds
- Contract wins and recent acquisitions to support continued growth in H2 – FY 15 and beyond
- Ongoing focus on costs and productivity improvement

Significant Progress with Strategic Assets

- Qube consortium close to finalising legal agreements with MIC for whole of precinct solution
- Construction of Quattro Grain facility well advanced – expected to be operational by October 2015

Continued Improvement in Safety

- Further 9% improvement in LTIFR since June 2014 to 4.2

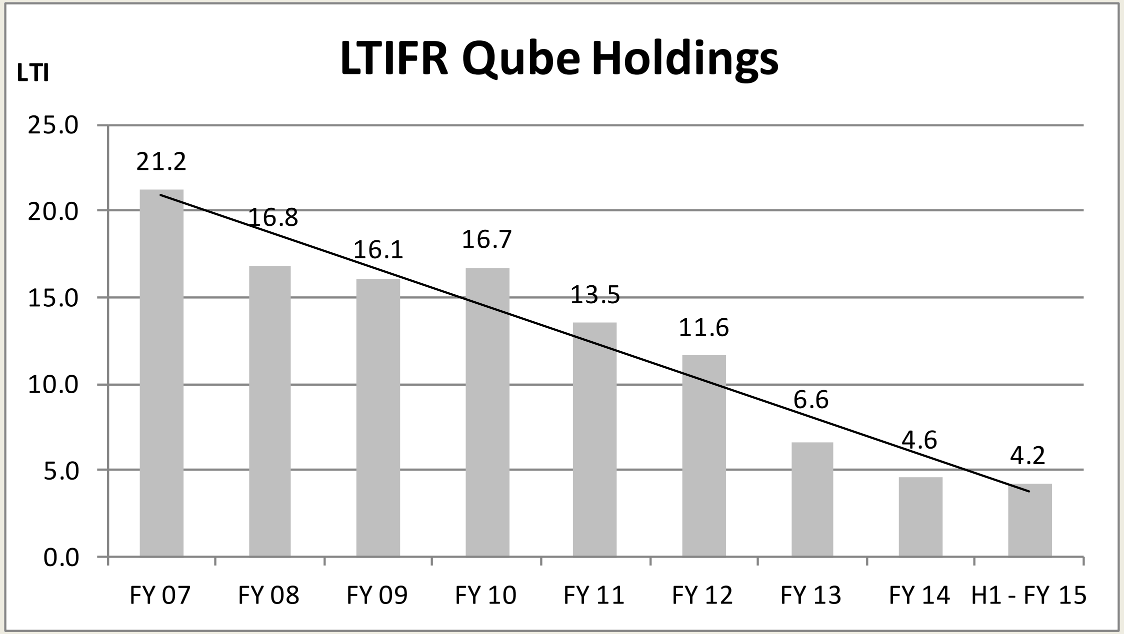
Continued Investment Consistent with Core Strategy to Drive Growth

- Invested around $176 million on acquisitions, facilities and equipment
- Supports innovative, quality logistics solutions, scale and additional diversification

Key Strategic Initiatives

Divisions	Logistics	Ports & Bulk	Strategic
Key Strategic Initiatives	• Acquisition of CRT • Investment in facilities including Vic Dock warehouse and Fremantle hardstand	• Acquisitions (Oztran, AHL and ISO) • Investment in technology and equipment • Investment in facilities (incl Dampier, Darwin)	• Commercial agreement for Moorebank • Progress on Quattro Grain facility
Rationale	• Support rail based solutions • Increase scale and quality of sites • Diversify customer base	• Expand and enhance service capabilities • Increase scale and capacity • Diversify customer base	• Transformational project creating integrated logistics precinct • Expand rural commodities activities

Continued Focus on Safety



LTIFR – Lost Time Injury Frequency Rate

Ongoing focus on improving safety outcomes

Key Financial Outcomes

Statutory Results

	H1 - FY 15 ($m)	H1 - FY 14 ($m)	Change From Prior Corresponding Period (%)
Revenue	727.0	581.5	25.0%
EBITDA	138.6	98.2	41.2%
EBITA	93.8	70.0	34.0%
EBIT	89.9	66.9	34.4%
Net Interest Expense	(13.2)	(14.2)	7.0%
Share of Profit of Associates	5.8	6.8	(14.7%)
Profit After Tax	60.3	43.4	39.1%
Non-Controlling Interest	(5.6)	(2.2)	(159.0%)
Profit After Tax Attributable to Shareholders	54.7	41.2	32.8%
Profit After Tax Attributable to Shareholders Pre-Amortisation	57.4	43.4	32.4%
Diluted Earnings Per Share (cents)	5.20	4.43	17.4%
Diluted Earnings Per Share Pre-Amortisation (cents)	5.46	4.66	17.2%
Interim Dividend Per Share (cents)	2.70	2.40	12.5%
EBITDA Margin	19.1%	16.9%	2.2%
EBITA Margin	12.9%	12.0%	0.9%

Key Financial Outcomes

Underlying Results

	H1 - FY 15 ($m)	H1 - FY 14 ($m)	Change From Prior Corresponding Period (%)
Revenue	715.9	581.4	23.1%
EBITDA	129.7	99.4	30.5%
EBITA	84.9	71.3	19.1%
EBIT	81.0	68.2	18.8%
Net Interest Expense	(10.5)	(15.0)	30.0%
Share of Profit of Associates	5.8	7.1	(18.3%)
Profit After Tax	55.1	44.3	24.4%
Non-Controlling Interest	(2.0)	(2.2)	9.1%
Profit After Tax Attributable to Shareholders	53.1	42.1	26.1%
Profit After Tax Attributable to Shareholders Pre-Amortisation	55.8	44.3	26.0%
Diluted Earnings Per Share (cents)	5.05	4.53	11.5%
Diluted Earnings Per Share Pre-Amortisation (cents)	5.31	4.77	11.3%
Interim Dividend Per Share (cents)	2.70	2.40	12.5%
EBITDA Margin	18.1%	17.1%	1.0%
EBITA Margin	11.9%	12.3%	(0.4%)

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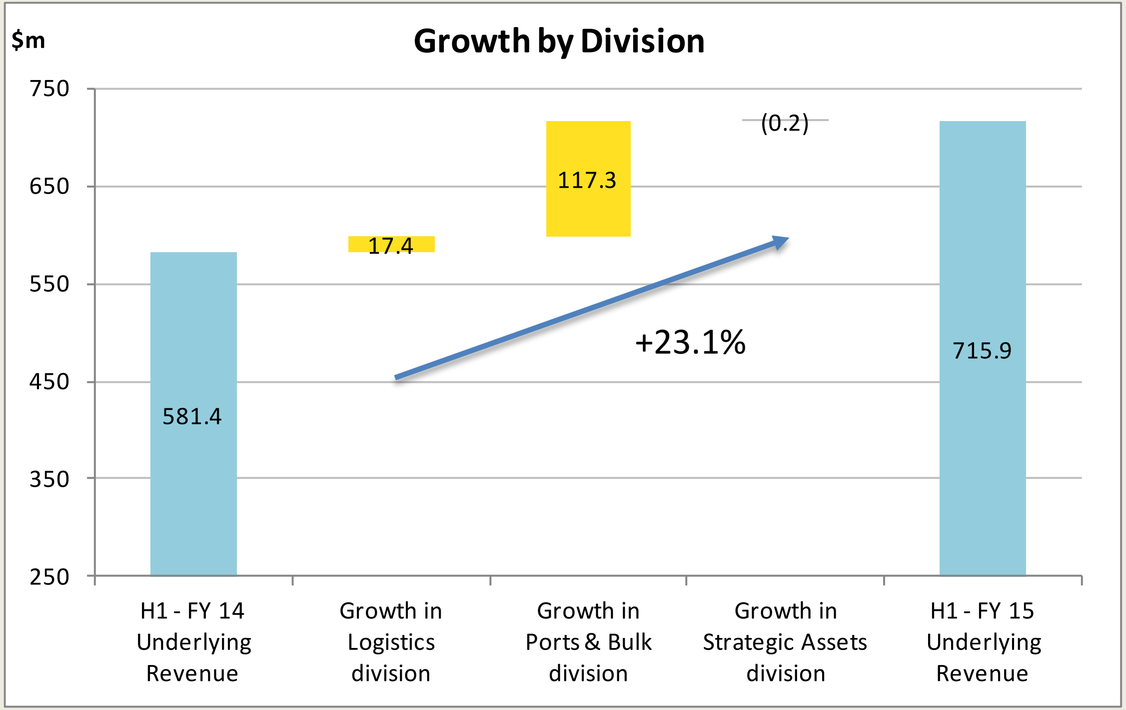
Key Financial Outcomes

Underlying Revenue Bridge (H1 – FY 14 to H1 – FY 15)



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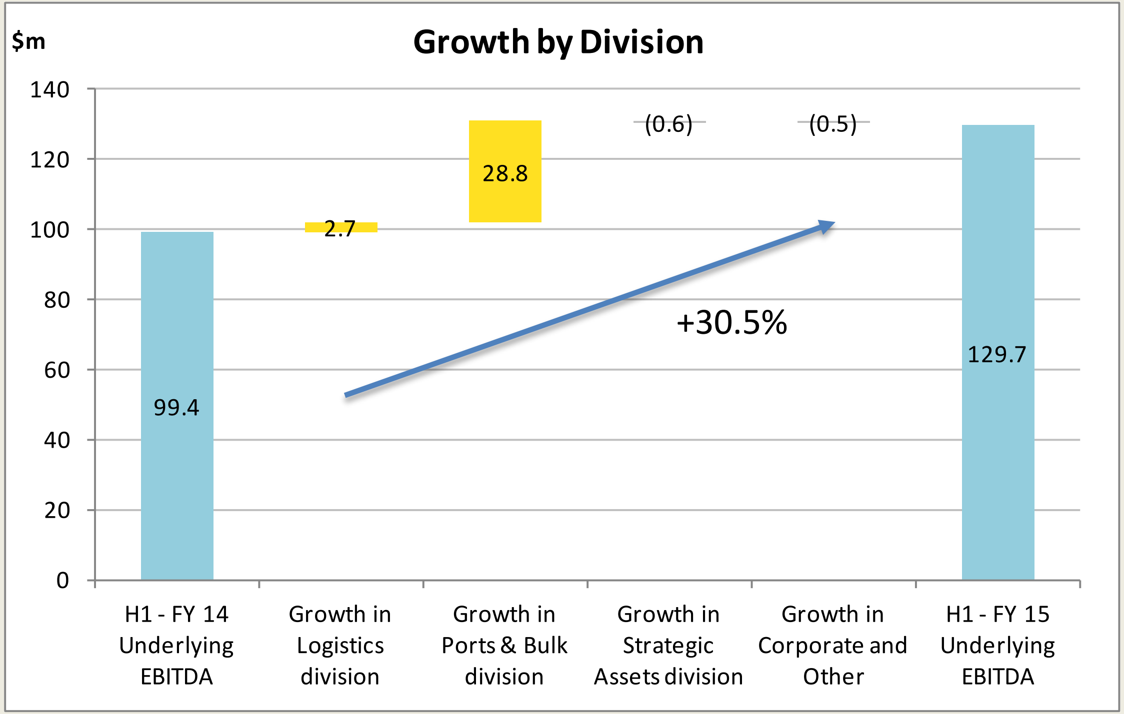
Key Financial Outcomes

Underlying EBITDA Bridge (H1 – FY 14 to H1 – FY 15)



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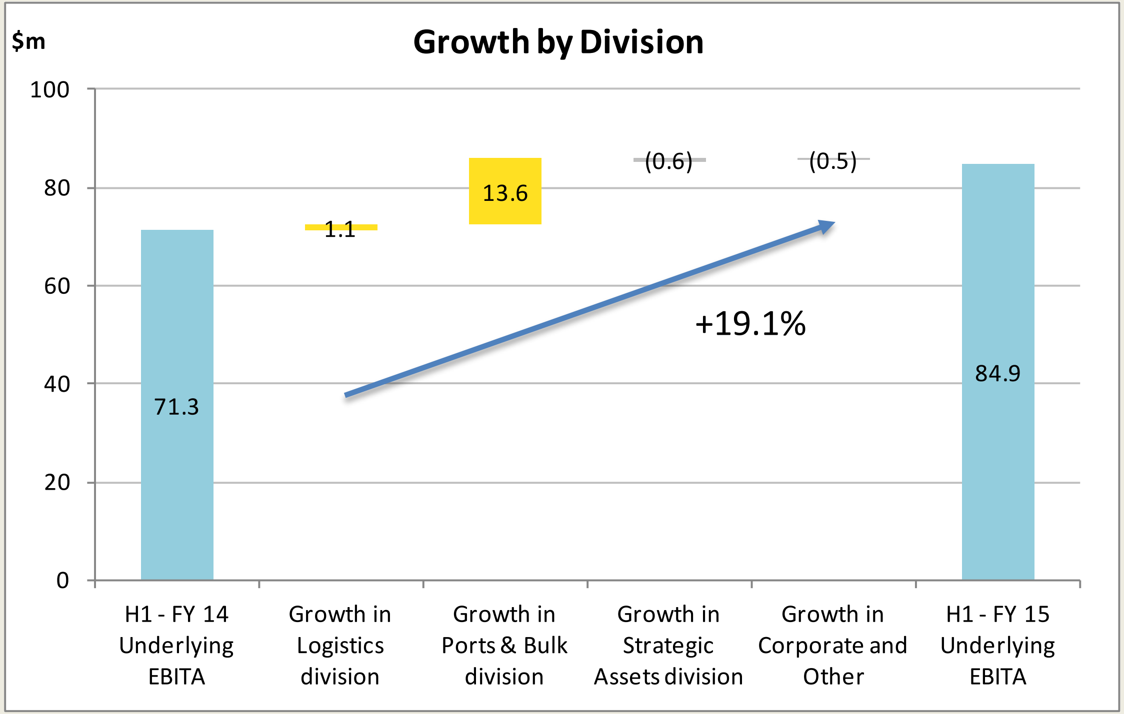
Key Financial Outcomes

Underlying EBITA Bridge (H1 – FY 14 to H1 – FY 15)



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Key Financial Outcomes

Segment Breakdown

H1 - FY 15	Logistics ($m)	Ports & Bulk ($m)	Strategic Assets ($m)	Corporate and Other ($m)	Total ($m)	H1 - FY 14 ($m)	Change (%)
Statutory							
Revenue	318.5	382.4	26.0	0.1	**727.0**	581.5	**25.0%**
EBITDA	43.9	78.9	22.3	(6.5)	**138.6**	98.2	**41.2%**
EBITA	30.4	47.6	22.3	(6.5)	**93.8**	70.0	**34.0%**
EBIT	29.0	45.3	22.1	(6.5)	**89.9**	66.9	**34.4%**
Underlying							
Revenue	318.5	382.4	15.0	-	**715.9**	581.4	**23.1%**
EBITDA	45.7	79.2	11.3	(6.4)	**129.7**	99.4	**30.5%**
EBITA	32.2	47.8	11.3	(6.4)	**84.9**	71.3	**19.1%**
EBIT	30.8	45.5	11.1	(6.4)	**81.0**	68.2	**18.8%**

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Logistics Division

Logistics Division

	H1 - FY 15 ($m)	H1 - FY 14 ($m)	Change From Prior Corresponding Period (%)
	Underlying	Underlying	
Revenue	318.5	301.1	5.8%
EBITDA	45.7	43.0	6.3%
Depreciation	(13.5)	(11.9)	(13.4%)
EBITA	32.2	31.1	3.5%
Amortisation	(1.4)	(0.9)	(55.6%)
EBIT	30.8	30.2	2.0%
Share of Profit of Associates	-	0.2	N/A
EBITDA Margin (%)	14.4%	14.3%	0.1%
EBITA Margin (%)	10.1%	10.3%	(0.2%)

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Logistics Division

H1 – FY 15 Financial Overview

- Solid result given flat port container volumes
- Earnings and margins impacted by several non-recurring events including congestion at rail terminals at Port Botany container stevedores

Business Review

- Continued to secure new business although very competitive environment
- Ongoing focus on reducing costs and improving productivity
- Completed strategic acquisition of CRT in December – integration well underway

Outlook

- Expect improved H2 contribution (compared to H2 – FY 14) reflecting non-recurring H1 costs, full period benefit of CRT acquisition and productivity improvements
- Not expecting any material improvement in general trading conditions or volumes

Ports & Bulk Division

Ports & Bulk Division

QUBE

	H1 - FY 15 ($m)	H1 - FY 14 ($m)	Change From Prior Corresponding Period (%)
	Underlying	Underlying	
Revenue	382.4	265.1	44.2%
EBITDA	79.2	50.4	57.1%
Depreciation	(31.4)	(16.2)	(93.8%)
EBITA	47.8	34.2	39.8%
Amortisation	(2.3)	(2.0)	(15.0%)
EBIT	45.5	32.2	41.3%
Share of Profit of Associates	5.9	7.0	(15.7%)
EBITDA Margin (%)	20.7%	19.0%	1.7%
EBITA Margin (%)	12.5%	12.9%	(0.4%)

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Ports & Bulk Division

H1 – FY 15 Financial Overview	• Continued strong growth despite volatility in commodity and oil and gas prices • Margin improvement reflects business mix, scale and benefits of capital investment • Pressure on rates / overall supply chain costs from bulk customers
Bulk Activities	• Strong volumes despite commodity price weakness • Working with customers to reduce costs / deliver further efficiencies • Performance and integration of acquisitions proceeding in line with expectations
Ports Activities	• New Dampier Transfer Facility exceeding expectations with strong demand from oil and gas sector • Weakness in motor vehicle imports and general stevedoring • Acquisitions of AHL and ISO (January 2015) to provide additional service capabilities
Associates	• Weaker contribution from associates mainly due to reduced vehicle imports and mining related project cargo
Outlook	• Expect increased contribution in H2 (compared to H2 – FY 14) from new contracts and acquisitions • Diversification to mitigate impact of decline in commodity prices • Pursuing multiple growth opportunities that leverage Qube's expertise and assets

Strategic Assets Division

Strategic Assets Division

H1 – FY 15 Financial Overview

- Consistent rental earnings from Moorebank and Minto
- Earnings impacted by expenditure related to Moorebank planning process
- Statutory result includes fair value gain on Moorebank property mainly reflecting State planning approval received in the period

Quattro Grain

- Construction continuing in accordance with timeline and budget
- Facility expected to be operational by October 2015
- Favourable weather should result in strong initial grain volumes

Moorebank

- Binding Term Sheet signed with Moorebank Intermodal Company (MIC) in December 2014
- Detailed legal documentation progressing – aiming to finalise in late March 2015 (then subject to Commonwealth approval)
- Transformational project for future growth of Qube

Strategic Assets Division

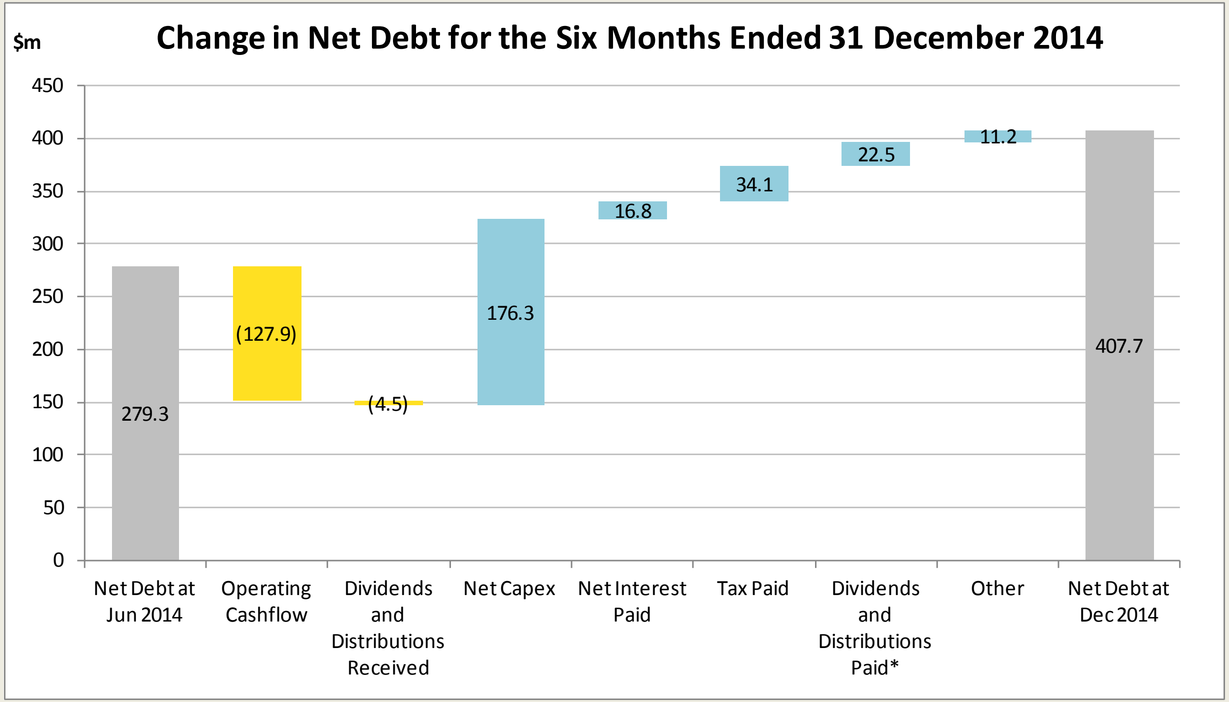
Moorebank

Moorebank Agreement	• Agreement to cover 'whole of precinct' development to optimise capacity, operational efficiency and reduce capital costs • Catalyst for major freight modal shift to rail to and from Port Botany • Supply chain cost savings from Moorebank solution to benefit integrated logistics solutions and on-site warehousing
Structure	• Qube to have significant logistics opportunities, property development and operational rights • Substantial commercial and funding flexibility subject to delivering MIC objectives (including minimum capacity, open access) • Aurizon and Qube commercial structure reflects ownership interest and strategic objectives of the parties
Funding	• Initial funding focused on development of rail terminals and related enabling infrastructure • Majority of funding relates to construction of warehousing (progressive over a 10+ year period and will be underpinned by lease commitments) • Considering a broad range of funding solutions including third party funding / partnering
Indicative Timeline	• Finalise legal agreements with MIC and Aurizon in late March 2015 • Progress outstanding planning approvals and initial capex in FY 16 • Construction of rail terminals from FY 17

Cashflow and Financing

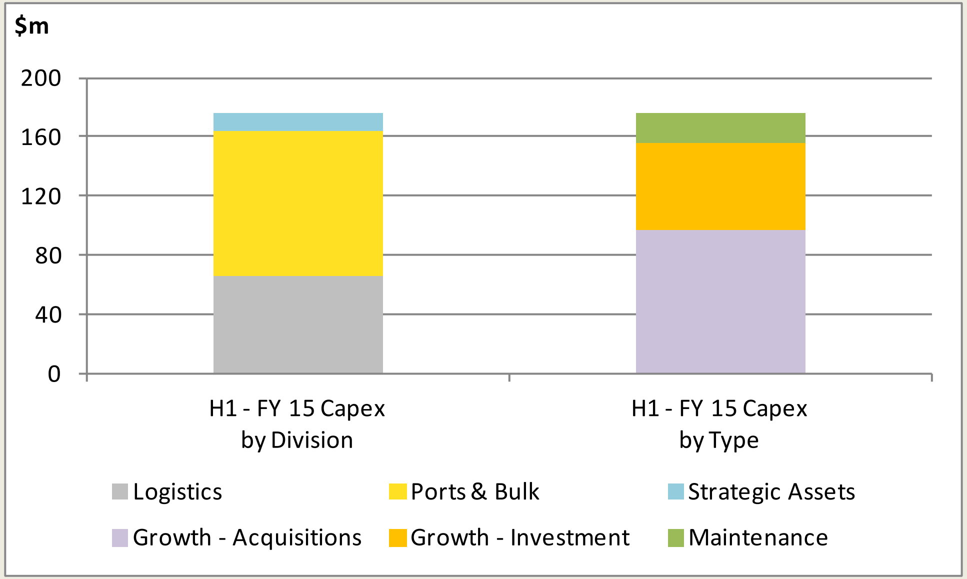
H1 – FY 15 Overview	• Continued to generate strong operating cashflow • Cash conversion of 99%
Capex	• Investment of around $176 million on acquisitions, facilities and equipment
Leverage	• Leverage at 23% (below target range of 30-40%) provides capacity for further debt funded investment
Debt Maturities	• Refinanced syndicated debt facilities with new maturity of December 2019
Funding Capacity	• Increased syndicated debt facilities to $750 million • At 31 December 2014, Qube had cash and undrawn debt facilities of around $374 million

Cashflow



* Dividends paid are net of the dividend reinvestment plan

Capex



- Net capex of around $176 million in the period
  - Acquisitions, facilities, equipment and technology to deliver scale, capacity and productivity and support growth
- Major expected capex items in H2 – FY 15 include:
  - Rolling stock and wagons to support new business
  - Development of Fremantle facilities
  - Additional investment in Quattro Grain facility
  - Equipment for new contracts
  - Acquisitions (including ISO)
- Indicative full year capex of $300-$350 million
- Maintenance capex expected to be around 30-40% of depreciation

H1 – FY 15 Summary

Record Financial Performance	• Continued growth in underlying financial performance • Diversification and benefits of investment offset weakness in parts of the business
Continued Investment on Core Activities	• Successfully executed acquisitions to enhance service capabilities, diversification and increase earnings • Continued investment in strategic facilities to grow capacity and scale
Strategic Growth Options	• Key milestones achieved on Moorebank development • Construction of Quattro Grain facilities continues to be on time and on budget
Substantial Funding Capacity	• Refinance and upsize of syndicated facilities to provide increased funding capacity, tenure and flexibility • Cash and undrawn debt facilities of around $374 million to fund continued investment

FY 15 Outlook

Strategy

- No change to core focus on expansion and diversification of logistics activities across the import and export supply chains
- Delivering improved returns from operating businesses while progressing planning and development of strategic assets

Operations

- Focus on reducing internal costs and delivering efficiencies to customers
- Integration of acquisitions to realise cost and revenue synergies

Investment

- Continuing investment in facilities across both divisions to deliver scale and efficiencies
- Acquisitions within core strategy / markets that fit strategic, financial and risk criteria

Outlook

- Multiple organic and inorganic growth opportunities being pursued across the group
- Expect both operating divisions to deliver revenue and earnings growth in FY 15
- Expect continued growth in underlying earnings per share in FY 15

Questions

Appendix 1
Reconciliation of H1 – FY 15
Statutory Results to Underlying Results

H1 - FY 15	Logistics ($m)	Ports & Bulk ($m)	Strategic Assets ($m)	Corporate and Other ($m)	Consolidated ($m)
Net profit / (loss) before income tax	**29.0**	**50.4**	**18.8**	**(15.6)**	**82.5**
Share of (profit) / loss of associates	-	(5.9)	0.1	-	**(5.8)**
Interest income	(0.3)	(0.3)	(0.1)	(0.2)	**(0.9)**
Interest expense	0.3	1.1	3.3	8.0	**12.8**
Fair value loss on derivatives	-	-	-	1.3	**1.3**
Depreciation & amortisation	14.9	33.6	0.2	-	**48.7**
EBITDA	**43.9**	**78.9**	**22.3**	**(6.5)**	**138.6**
Cost of legacy incentive schemes	1.6	0.6	-	-	**2.2**
Fair value gain on investment property	-	-	(11.0)	-	**(11.0)**
Other adjustments	0.1	(0.3)	-	0.1	**(0.1)**
Underlying EBITDA	**45.7**	**79.2**	**11.3**	**(6.4)**	**129.7**
Depreciation	(13.5)	(31.4)	-	-	**(44.8)**
Underlying EBITA	**32.2**	**47.8**	**11.3**	**(6.4)**	**84.9**

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Appendix 2
Reconciliation of H1 – FY 14
Statutory Results to Underlying Results

H1 - FY 14	Logistics ($m)	Ports & Bulk ($m)	Strategic Assets ($m)	Corporate and Other ($m)	Consolidated ($m)
Net profit / (loss) before income tax	**28.8**	**37.4**	**8.8**	**(15.4)**	**59.6**
Share of profit of associates	(0.2)	(6.7)	-	-	**(6.8)**
Interest income	(0.2)	(0.2)	(0.1)	(0.2)	**(0.7)**
Interest expense	0.6	1.5	3.4	10.3	**15.7**
Fair value of derivatives	-	-	(0.4)	(0.4)	**(0.9)**
Depreciation & amortisation	12.8	18.3	0.2	-	**31.3**
EBITDA	**41.8**	**50.2**	**11.9**	**(5.8)**	**98.2**
Legacy incentive schemes	1.2	0.2	-	-	**1.4**
Fair value adjustments (net)	-	-	-	(0.1)	**(0.1)**
Underlying EBITDA	**43.0**	**50.4**	**11.9**	**(5.9)**	**99.4**
Depreciation	(11.9)	(16.3)	-	-	**(28.2)**
Underlying EBITA	**31.1**	**34.2**	**11.9**	**(5.9)**	**71.3**

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Appendix 3
Explanation of Underlying Information

- Underlying revenues and expenses are statutory revenues and expenses adjusted to exclude non-cash and non-recurring items such as fair value adjustments on investment properties, cost of legacy incentive schemes, impairments and release of contingent consideration payable to reflect core earnings. Income tax expense is based on a prima-facie 30% tax charge on profit before tax and associates

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