



2 June 2017

QUBE HOLDINGS LIMITED
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Dear Shareholder

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Qube Holdings Limited Entitlement Offer – Notification to Ineligible Shareholders

On 31 May 2017, Qube Holdings Limited (ASX: QUB) (**Qube or Company**) announced an underwritten¹ A\$228 million 1-for-15 pro-rata accelerated non renounceable entitlement offer (**Entitlement Offer** or **Offer**) of new fully paid ordinary shares (**New Shares**) at an offer price of \$2.35 per New Share. Concurrently with the Entitlement Offer, Qube also undertook an underwritten placement to institutional and sophisticated investors to raise approximately A\$122 million.

The Entitlement Offer will raise approximately A\$228 million and the proceeds will be used to support Qube's development within its strategic assets division, as well as ensure that Qube has sufficient liquidity and flexibility to pursue various identified organic and inorganic growth initiatives over the medium term. Qube will use part of the proceeds from the Offer on development capex relating to new warehousing at Moorebank totalling c.A\$80million and c.A\$70 million of growth capex (committed or approved²) in FY17 YTD³. The balance of funds raised will be utilised to maintain financial flexibility to pursue other growth opportunities and to pay the costs of the Offer.

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**). The Entitlement Offer is being made by the Company in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Act**) as modified by the Australian Securities and Investments Commission Corporations Instrument (**Non-Traditional Rights Issue**) Instrument [2016/84], meaning that no prospectus or other disclosure document needs to be prepared. The Institutional Entitlement Offer has already closed and the results announced to the ASX.

This notice is to inform you about the Retail Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Retail Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter.**

¹ The Entitlement Offer has been underwritten by UBS AG, Australia Branch

² Subject to contract finalisation.

³ YTD = Year To Date

DETAILS OF THE RETAIL ENTITLEMENT OFFER

The Retail Entitlement Offer is being made to Eligible Retail Shareholders (as defined below), on the basis of 1 new share for every 15 existing shares held at 7:00pm (Sydney time) on Friday, 2 June 2017 (**Record Date**).

Documents relating to the Retail Entitlement Offer were lodged with the ASX on 31 May 2017 and are being mailed to Eligible Retail Shareholders.

Eligibility criteria

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Act, that it would be unreasonable to make offers to shareholders in countries other than Australia and New Zealand in connection with the Retail Entitlement Offer having regard to:

- (a) the relatively small number of shareholders in the other jurisdictions where the Retail Entitlement Offer would be made;
- (b) the number and value of shares for which such shareholders would otherwise have been entitled; and
- (c) the costs of complying with the legal and regulatory requirements in each other jurisdiction where the Retail Entitlement Offer would be made.

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are shareholders who:

- (a) are registered as a holder of Shares as at 7.00pm (Sydney time) on the Record Date;
- (b) have a registered address in Australia or New Zealand as listed on the Company's share register on the Record Date;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such a person holds securities in Qube for the account or benefit of such persons in the United States);
- (d) were not institutional shareholders eligible to participate under the Institutional Entitlement Offer (and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer); and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or other formal offer document to be lodged or registered.

The Company may (at its absolute discretion) extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the institutional component of the Entitlement Offer (subject to compliance with applicable laws).

Unfortunately, the Company has determined that you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, the Company wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will also not be sent the retail offer document relating to the Retail Entitlement Offer nor be able to subscribe for New Shares under the Retail Entitlement Offer.

As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible.

Further information

If you have any questions in relation to any of the above matters, please contact the Company's share registry, Computershare Investor Services Pty Limited on 1300 783 529 (within Australia) or +61 3 9415 4238 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday. For other questions, you should contact your stockbroker, accountant, taxation advisor, financial adviser or other professional adviser.

On behalf of the Board and management of the Company, thank you for your continued support of Qube.

Yours faithfully,
Qube Holdings Limited



Adam Jacobs
Company Secretary

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares in Qube. In particular, this letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Neither the entitlements nor the New Shares that will be offered and sold in the Entitlement Offer have been, or will be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, entitlements may not be issued to or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable U.S. state securities law. The entitlements and the New Shares to be offered and sold in the Entitlement Offer may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of persons in the United States, in each case, in "offshore transactions" in reliance on Regulation S under the Securities Act.

IMPORTANT NOTICE TO NOMINEES: Because of legal restrictions, you must not send copies of this letter nor any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States or any other person acting for the account or benefit of persons in the United States or to any person in any other jurisdiction outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws. The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.