

KAPLAN FUNDS MANAGEMENT PTY LIMITED

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ASX and Media Announcement

5 February 2010

**KIL acquisition to double the size of logistics investments –
assets to increase to around \$445 million.**

Announces name change to Qube Logistics.

Acquisition

Kaplan Funds Management Pty Limited (KFM), manager of the KFM Diversified Infrastructure and Logistics Fund (Fund) today announces that the Fund has signed a binding term sheet to acquire 100% of the shares in Kaplan Equity Limited (KEL). KEL is an investment company managed by KFM.

KEL has a portfolio of interests in logistics businesses that are broadly identical to those owned by the Fund and will therefore have the effect of doubling the size of the Fund's existing logistics interests. Importantly, the acquisition will provide the Fund with effective controlling shareholdings in two strategic operating businesses being the P&O Automotive and General Stevedoring business and the P&O Trans Australia landside logistics business, and significant shareholdings in a number of other operating logistics businesses. Further details on the assets being acquired by the Fund are contained in the attachment to this release.

Chris Corrigan, Chairman of the Fund's Investment Advisory Committee commented "The acquisition will provide the Fund with effective controlling interests in quality logistics businesses. Following the acquisition, the Fund will have the scale and balance sheet to pursue a number of larger growth opportunities within these businesses as well as in complementary areas".

"We believe the acquisition will materially assist the Fund as it becomes a major listed operating logistics entity", he said.

Financial Impact of the Acquisition

The consideration for the acquisition will be the issue of approximately 190.7 million units in the Fund. This equates to approximately \$161 million based on the ten day volume weighted average price at which units in the Fund traded prior to execution of the term sheet of \$0.8438.

This represents around 44.1% of the expanded capital base of the Fund.

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The consideration payable for the acquisition equates to an EBITDA multiple for the operating logistics businesses being acquired of around 7.8x forecast 2010 earnings¹ for these businesses. "We believe the purchase price represents an attractive multiple for the Fund given the quality and strategic nature of the businesses being acquired", said Mr Corrigan.

The operating logistics businesses represent approximately 87% of the value of the net assets being acquired with KEL's interest in the Moorebank Industrial Property Trust representing the majority of the balance.

The acquisition would increase the Fund's market capitalisation to \$365 million². It would increase the gross asset value of the Fund to almost \$445 million and net assets to around \$400 million³. On completion the Fund will have direct debt of around \$46 million which relates entirely to its investment in Moorebank⁴.

The net asset value per unit after the transaction is expected to be approximately \$0.92, a decrease of around 4.0%.

Further information regarding the impact of the acquisition on the Fund is set out in the attachment to this release.

Conditions

The transaction is subject to satisfaction of a number of conditions including approval of the Fund's responsible entity, unitholder approval under the ASX listing rules and receipt of a limited number of third party consents. It is expected that a unitholder meeting to approve the transaction will be held in late April 2010.

Name change and future direction

The Fund intends to change its name on completion of the acquisition to **Qube Logistics** reflecting the Fund's strategy of focusing on acquiring and developing quality logistics businesses.

It is presently intended to internalise the management of the Fund within 12-24 months once further progress has been made consolidating the Fund's ownership of its existing logistics businesses and advancing the development of Moorebank into a major inland rail terminal.

As part of that process, we will also examine the benefits of restructuring the Fund from a trust to a company.

¹ Based on year ending 31 December 2010.

² Based on a unit price of \$0.8438 being the ten day volume weighted average price prior to signing the term sheet.

³ Based on the revaluation of the logistics assets used by the Fund to prepare its half yearly results for the six months to 31 December 2009.

⁴ Excluding share of debt of the operating logistics businesses.

Unaudited Financial Results to 31 December 2009

Based on preliminary figures, the Fund expects to report a net profit attributable to unitholders of approximately \$12.0 million for the half year to 31 December 2009.

The profit includes a positive revaluation of the Fund's logistics investments of approximately \$6.8 million for the six months to 31 December 2009 based on an internal valuation undertaken by KFM.

The impact of the revaluation has been included in determining the consideration payable to KEL and in the post acquisition figures for the Fund outlined in this document.

The profit and valuation results for the Fund are subject to finalisation of the audit review and approval by the Fund's responsible entity.

Further Enquiries:

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Attachment 1: Assets Being Acquired

Provided below is an outline of the major logistics interests being acquired by the Fund as a result of the acquisition of KEL. It highlights that the Fund will gain effective controlling shareholding interests in two key operating businesses and double its shareholding in several other businesses.

Operating Logistics Businesses	Existing Interest (%)	Interests Being Acquired (%)	New Interest Post Acquisition (%)
Landside Logistics			
P&O Trans Australia	23.6%	23.6%	47.2%*
Automotive and General Stevedoring			
P&O Automotive and General Stevedoring	27.1%	27.1%	54.2%
Northern Stevedoring Services	19.2%	19.2%	38.3%
Prixcar Services	9.7%	9.7%	19.4%
Australian Amalgamated Terminals	6.6%	6.6%	13.3%**
Other Logistics Investments			
Moorebank	15.0%	15.0%	30.0%

* Management own approximately 5.5% of the company following the exercise of employee options. The Fund and KEL have a call option to increase their shareholding to 72.2% exercisable from 1 January 2011.

** The Fund and KEL can increase their combined shareholding to at least 27.1% through the exercise of a call option.

Attachment 2: Estimated Impact on Net Asset Value

	Pre- Acquisition	Acquisition	Post Acquisition	Net Asset Value Per Unit (\$)	% of Total Net Asset Value
Operating Logistics Businesses					
Landside Logistics	\$53.7m	\$53.7m	\$107.4m	0.25	27.0%
Automotive and General Stevedoring	\$90.5m	\$90.5m	\$181.1m	0.42	45.6%
Total Operating Logistics Businesses	\$144.3m	\$144.3m	\$288.5m	0.67	72.6%
Moorebank and Other Logistics Investments	\$43.1m	\$43.4m	\$86.5m	0.20	21.8%
Total Logistics Investments	\$187.3m	\$187.7m	\$375.0m	0.87	94.3%
Cash and Listed Securities	\$67.3m	\$1.7m	\$68.9m	0.16	17.3%
Gross Asset Value - Total Portfolio	\$254.6m	\$189.4m	\$443.9m	1.03	111.7%
Less: Net Debt Relating to Moorebank	-\$23.0m	-\$23.4m	-\$46.4m	(0.11)	-11.7%
Net Asset Value - Total Portfolio	\$231.6m	\$165.9m	\$397.5m	0.92	100.0%
Total Units (m)	241.77	190.66	432.43		

Note: All figures are estimates as at 31 January 2010 inclusive of the unaudited revaluations as at 31 December 2009 (which are subject to confirmation by the auditors and the responsible entity).

Note: The pre-acquisition figures for the Fund are net of the payment of the distribution for the period to 31 December 2009 and take into account the expected distribution reinvestment plan participation for this distribution.