ASX and Media Announcement **10 August 2011**

Significant Increase in Value of Qube's Logistics Investments

KFM advises that the independent valuations of Qube's unlisted logistics investments as at 30 June 2011 have been completed resulting in a pre-tax revaluation gain of approximately $152.1 million for the six months to 30 June 2011 giving a full year pre-tax revaluation gain of approximately $205 million.

During this period, Qube increased its ownership of POTA Holdings (POTA) from approximately 47.2% to approximately 94.7%. POTA forms Qube's Landside Logistics division. Qube's ownership interest in its other logistics assets remained unchanged in this period.

The valuations of Qube's share of the relevant businesses as at 30 June 2011 and the change in value over the twelve months to 30 June 2011 are outlined below.

	Valuation as at 30 June 2010	New Investment	Valuation as at 30 June 2011	Pre-Tax Gain / (Loss)	Pre-Tax Gain / (Loss)
	$m	$m	$m	$m	%
Landside Logistics Division	123.3	125.0	402.9	154.6	**62.3%**
Auto, Bulk and General Stevedoring Division	240.6	2.5	293.9	50.8	**20.9%**
Strategic Development Assets	97.9	1.9	98.9	(0.9)	**-0.9%**
Total Logistics Businesses	**461.8**	**129.4**	**795.7**	**204.5**	**34.6%**

The table highlights that the value of Qube's investment in the Landside Logistics division, which as noted above comprises Qube's investment in POTA, has increased by around $155 million or 62.3% (pre-tax) over the twelve months to 30 June 2011 (net of additional investment undertaken in this period). This reflects a strong revenue and earnings outlook through both organic growth and recent acquisitions. The increase in valuation also reflects the attractive purchase price negotiated with DP World to acquire their shareholding in POTA during the period.

Qube's investments in its Automotive, Bulk and General Stevedoring division increased in value by around $51 million, or almost 21% (pre-tax) over the twelve months to 30 June 2011 (net of additional investment undertaken in this period). This was due to strong automotive and bulk volumes, as well as the increasing contributions from new development projects and acquisitions.

The Strategic Development Assets were largely unchanged in value over the period, reflecting the fact that these properties are currently subject to medium term lease agreements with tenants while the planning and analysis for the future potential development of these properties into inland terminals progresses.

It should be noted that Qube's financial statements for the year ending 30 June 2011 will not fully reflect these gains and valuations due to Qube's having to consolidate rather than fair valuing investments where it has control such as in the case of POTA in its Landside Logistics division.

The independent valuations of Qube's investments in the Landside Logistics and Automotive, Bulk and General Stevedoring divisions were undertaken by Deloitte Touche Tohmatsu. The independent valuations of the Strategic Development Assets were undertaken by property valuers.

Performance Fee

As previously advised to unitholders, under the terms of the investment management agreement between Qube and KFM, KFM is entitled to a performance fee if the performance of Qube over the twelve months to 30 June 2011 exceeds the benchmark of the one year swap rate plus a margin of 2.5% (subject to the recoupment of any underperformance in the prior year). A provision for a performance fee of $3.5 million was recorded in Qube's accounts at 31 December 2010.

Based on Qube's preliminary accounts including the impact of the independent valuations outlined above, KFM will be entitled to a performance fee for the twelve months to 30 June 2011 of approximately $17.4 million (excluding GST) (which is approximately $13.9 million higher than the provision recorded at December 2010). This reflects the very strong performance of Qube's businesses over the twelve months to 30 June 2011 and positive future earnings outlook.

KFM has agreed with Qube and Qube Logistics Holdings Limited (New Qube) to apply up to 50% of the performance fee in subscription for shares in New Qube with the balance paid in cash. This issue will be conditional on implementation of the corporatisation of Qube (to be considered by unitholders at the general meeting to be held on 18 August 2011) and receipt of New Qube shareholder approval.

The issue price for this issue will be the volume weighted average price at which New Qube shares trade on ASX over the 10 trading days up to the date of the New Qube shareholder meeting to approve that issue. The meeting will be held by 30 October 2011. If not approved by shareholders, KFM will receive the outstanding performance fee in cash. Further information regarding this issue will be included in the notice of meeting to be prepared by New Qube following completion of the corporatisation of Qube.

A supplementary prospectus relating to the matters outlined in this announcement will be despatched to unitholders shortly. A copy of this document is attached to this announcement.

This announcement has been prepared and released on behalf of Qube by Kaplan Funds Management, the manager of Qube.

Further enquiries:

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Qube Logistics Holdings Limited
(ACN 149 723 053)

The Trust Company (RE Services) Limited (ACN 003 278 831)
as responsible entity for
Qube Logistics (ARSN 122 556 441)

Supplementary Prospectus and Supplementary Unitholder Notice

This is a Supplementary Prospectus and Supplementary Unitholder Notice (**Supplementary Prospectus**) intended to be read with the original Prospectus and Unitholder Booklet dated 12 July 2011 (**Prospectus**) relating to the corporatisation, internalisation of management, acquisitions and ancillary transactions to be undertaken by Qube Logistics Holdings Limited and The Trust Company (RE Services) Limited as responsible entity for Qube Logistics.

This Supplementary Prospectus is dated 10 August 2011 and was lodged with the Australian Securities and Investments Commission (**ASIC**) pursuant to Section 719(1) of the Corporations Act 2001 on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary Prospectus.

Pursuant to Section 719(4) of the Corporations Act, the information set out below is taken to be included in the Prospectus. Terms defined in the Prospectus have the same meaning in this Supplementary Prospectus except where otherwise defined in this Supplementary Prospectus.

Valuations of unlisted logistics businesses

On 10 August 2011, Qube announced that it has received independent valuations of its unlisted logistics investments, resulting in a pre-tax revaluation gain of approximately $152.1 million for the 6 months to 30 June 2011, giving a full year pre-tax revaluation gain of approximately $205 million. The increase in value reflects the strong revenue and earnings growth outlook for these businesses, particularly in the Landside Logistics division.

During this period, Qube increased its ownership of POTA from approximately 47.2% to approximately 94.7%. POTA forms Qube's Landside Logistics division. Qube's ownership interest in its other logistics assets remained unchanged in this period.

The valuations of Qube's share of the relevant businesses as at 30 June 2011 and the change in value over the twelve months to 30 June 2011 are outlined below.

	Valuation as at 30 June 2010	New Investment	Valuation as at 30 June 2011	Pre-Tax Gain / (Loss)	Pre-Tax Gain / (Loss)
	$m	$m	$m	$m	%
Landside Logistics Division	123.3	125.0	402.9	154.6	**62.3%**
Auto, Bulk and General Stevedoring Division	240.6	2.5	293.9	50.8	**20.9%**
Strategic Development Assets	97.9	1.9	98.9	(0.9)	**-0.9%**
Total Logistics Businesses	**461.8**	**129.4**	**795.7**	**204.5**	**34.6%**

The table highlights that the value of Qube's investment in POTA has increased by around $155 million or around 62.3% (pre-tax), over the 12 months to 30 June 2011 (net of additional investment undertaken in this period). This reflects a strong revenue and earnings outlook through both organic growth and recent acquisitions. The increase in valuation also reflects the attractive purchase price negotiated with DP World to acquire its shareholding in POTA during the period.

Qube's investments in its Automotive, Bulk and General Stevedoring division increased in value by around $51 million, or around 20.9% (pre-tax) over the 12 months to 30 June 2011 (net of additional investment undertaken in this period). This was due to strong automotive and bulk volumes, as well as the increasing contributions from new development projects and acquisitions.

The Strategic Development Assets were largely unchanged in value over the period, reflecting the fact that these properties are currently subject to medium term lease agreements with tenants while the planning and analysis for the future potential development of these properties into inland terminals progresses.

Further information regarding the financial and operating performance of Qube for the year ended 30 June 2011 will be released to the market with the Appendix 4E results, expected to be released on or about 18 August 2011.

Performance fee

Under the existing Investment Management Agreement, KFM is entitled to an annual performance fee equal to 15% (plus GST) of the amount by which the aggregate of the increase in the net asset value of Qube and the value of distributions made by Qube over the year exceeds a performance hurdle. A provision for a performance fee of $3.5 million was recorded in Qube's consolidated financial statements for the 6 months ended 31 December 2010. See Section 7.3 of the Prospectus for details.

Based on Qube's preliminary accounts, including the impact of the independent valuations outlined above, KFM will be entitled to a performance fee for the 12 months to 30 June 2011 of approximately $17.4 million (plus GST) (which is approximately $13.9 million higher than the provision recorded at December 2010). The IMA Termination Deed maintains the existing fee arrangements up to completion of the Internalisation and so KFM remains entitled to receive this performance fee if the Corporatisation and Internalisation are implemented. See Section 11.4 of the Prospectus for details. If the Internalisation proceeds, KFM has agreed to waive any performance fee that would otherwise be payable in respect of the period from 1 July 2011 until completion of the Internalisation.

Issue of Shares to KFM

KFM has agreed with Qube and New Qube to apply up to 50% of the performance fee in subscription for Shares in New Qube with the balance paid in cash. This issue will be conditional on implementation of the Corporatisation and receipt of New Qube shareholder approval. The issue price for these Shares will be the volume weighted average price at which New Qube Shares trade on ASX over the 10 trading days up to the date of the New Qube shareholder meeting to approve that issue. The meeting will be held by 30 October 2011. If not approved by New Qube Shareholders or the Corporatisation does not proceed, KFM will receive the outstanding performance fee in cash.

If the issue price for these Shares were $1.275 (the last price at which Qube units traded on ASX on the day prior to the date of this Supplementary Prospectus) and KFM applied $8,708,337 to subscribe for New Qube Shares, KFM would receive 6,830,068 Shares.

Update from Independent Expert

The Independent Expert has confirmed that the opinions contained in the Independent Expert's Report have not changed as a consequence of the 30 June 2011 valuations. A letter from the Independent Expert dated 10 August 2011 is set out in the Schedule to this Supplementary Prospectus.

Deloitte Corporate Finance Pty Limited has given, and before lodgement of this Supplementary Prospectus has not withdrawn, its written consent to being named in this Supplementary Prospectus as independent expert in the form and context in which it is so named and the inclusion of its letter in the form and context in which it appears in this Supplementary Prospectus.

Directors' Authorisation

Each Director of New Qube has given, and has not withdrawn, their consent to the lodgement of this Supplementary Prospectus with ASIC. This Supplementary Prospectus has been signed by Maurice James, for and on behalf of Qube Logistics Holdings Limited. Its lodgement with ASIC has also been authorised by The Trust Company (RE Services) Limited as responsible entity for Qube Logistics.

Maurice James
Managing Director

Schedule

Deloitte.

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The Directors
The Trust Company (RE Services) Limited
Level 15, 20 Bond Street
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10 August 2011

Dear Directors

Confirmation of opinion

Introduction

On 8 February 2011 The Trust Company (RE Services) Limited (**The Trust Company**), in its capacity as responsible entity of Qube Logistics (**Qube**), announced a proposal to:

- restructure Qube by changing it from a registered listed managed investment scheme to a listed corporate structure. It is proposed that the restructure will be effected by way of a trust scheme. This will result in the formation of a new public company (**New Qube**) which will become the holding company of Qube. In effect existing unitholders of Qube will exchange their current interest in units in Qube for an equivalent interest in shares in New Qube (**Proposed Corporatisation**). The Proposed Corporatisation is conditional on New Qube being admitted to the official list of the ASX
- internalise the management of New Qube. It is proposed that the internalisation would be effected by KFM agreeing to terminate its investment management agreement (**IMA**) with Qube in consideration for the payment of an agreed termination fee of $40 million (**Consideration**). The Consideration is to be satisfied by the issue of shares at an aggregate issue price of $32 million and the balance paid in cash to KFM. The issue price per share will be the volume weighted average price (**VWAP**) at which Qube units trade on the ASX over the 30 days up to the date of the general meeting to approve the resolution. (**Proposed Internalisation** and together with the Proposed Corporatisation, the **Proposed Restructure**).

The Proposed Internalisation will be conditional on the Proposed Corporatisation but not vice versa. That is, the Proposed Internalisation will only proceed if the Proposed Corporatisation is effected, however the Proposed Corporatisation may proceed even if the Proposed Internalisation is not approved.

The directors of The Trust Company in its capacity as responsible entity of Qube requested Deloitte Corporate Finance Pty Limited (**Deloitte Corporate Finance**) to provide an opinion as to whether:

- the Proposed Corporatisation is fair and reasonable to Qube unitholders not associated with KFM or The Trust Company (**Non Associated Unitholders**)
- the Proposed Corporatisation is in the best interests of Qube unitholders.
- the Proposed Internalisation is fair and reasonable to Non Associated Unitholders pursuant to Listing Rule 10.1 of the Australian Securities Exchange (**ASX**).

Deloitte.

In our independent expert's report dated 11 July 2011 (**Previous Report**) we concluded that the:

- Proposed Corporatisation is fair and reasonable to Non Associated Unitholders and therefore in the best interest of Qube unitholders
- Proposed Internalisation is fair and reasonable to Non Associated Unitholders.

Since the date of the Previous Report the directors of The Trust Company, as responsible entity of Qube, have commissioned an independent valuation of the investments held by Qube in a number of unlisted logistics businesses as at 30 June 2011 for financial reporting purposes (**30 June 2011 Valuation**). As indicated in a proposed announcement to be made by Qube (**Proposed ASX Announcement**) the 30 June 2011 Valuation, if adopted by the directors, will result in a significant increase in Qube's gross asset value and the payment of a performance fee for the 12 months ended 30 June 2011 of approximately $17.4 million (excluding GST).

In the Previous Report our assessment of the Proposed Internalisation was based on the valuations adopted by the directors of The Trust Company, as responsible entity of Qube, for financial reporting purposes as at 31 December 2010 (**31 December 2010 Valuation**) adjusting for the placement to Carlyle Infrastructure Partners, the exercise of the call option over shares in POTA Holdings Pty Limited and a growth factor to account for the period to 31 July 2011. In the event that the 30 June 2011 Valuation is adopted for financial reporting purposes there will be a corresponding increase in Qube's gross asset value. Since the increase in Qube's gross asset value will be greater than that assumed in our assessment of the Proposed Internalisation it is likely that any revised assessment of the Net Cost Savings (as defined in our Previous Report) would be greater than that estimated in the Previous Report which would increase the benefit of the Proposed Internalisation to Non Associated Unitholders.

Accordingly, we confirm that our opinions contained in the Previous Report have not changed as a consequence of the 30 June 2011 Valuation.

This letter should be read in conjunction with the Previous Report which provides the detailed basis for our conclusions.

DELOITTE CORPORATE FINANCE PTY LIMITED

R Foley-Lewis

M. Pittorino

Rachel Foley-Lewis
Director

Mark Pittorino
Director