ASX and Media Announcement **24 February 2011**

Qube Logistics Reports Strong Earnings

Strong Earnings

Qube Logistics today released its results for the half-year to 31 December 2010 reporting a profit after tax of $36.7 million.

The result reflects the continued growth in earnings and positive outlook for both the Landside Logistics and Automotive, Bulk and General Stevedoring operating divisions.

Key highlights of the financial result include:

- Statutory consolidated profit before tax of $58.9 million.
- Net realised and unrealised gain on investments of $53 million reflecting strong growth in earnings and outlook for the operating logistics business.
- Dividends and distributions received in the period of around $14.8 million (mainly from the operating businesses and strategic development assets).
- Market capitalisation of over $685 million[1], an increase of around 70% since 30 June 2010[2].
- Fully franked distribution of 1.9 cents per unit declared for the period.

Very strong performance from operating businesses

The operating logistics divisions have continued to deliver results for the six months to December 2010 that are significantly ahead of the comparable period last year as outlined in the table below. This reflects strong underlying earnings growth during the period as well as the contribution from acquisitions made by the operating divisions in the prior period and the commencement of operations at new development projects.

Six Months to December	2009 ($m)	2010 ($m)	Change
Revenue*			
Landside Logistics	56.6	77.5	37.1%
Auto, Bulk and General	66.5	96.4	45.0%
Total Revenue	**123.1**	**173.9**	**41.3%**
EBITDA*			
Landside Logistics	6.7	9.2	36.8%
Auto, Bulk and General	11.7	18.0	54.2%
Total EBITDA	**18.4**	**27.2**	**47.8%**

* Figures are based on unaudited management accounts and exclude the impact of costs relating to employee option plans

[1] Based on a unit price of $1.33.
[2] Adjusting for the rights issue completed in July 2010.

The figures in the table reflect Qube's proportional interest in each of the operating businesses as at 31 December 2010[3].

Sam Kaplan, Managing Director of Kaplan Funds Management (KFM), the manager of Qube Logistics, said "The pleasing results from the operating businesses in the period to 31 December 2010 demonstrate the quality of these businesses and the capability and expertise of their respective management teams".

The operations of the logistics businesses have been impacted by recent adverse weather events in Queensland and Western Australia which have closed some ports and facilities operated by Qube for limited periods. However, despite this impact, subject to no further adverse material economic or weather events, it is currently expected that both of Qube's operating divisions will achieve growth in revenue and earnings in 2011. This reflects continued organic growth and the benefits of acquisitions and development projects undertaken in 2010.

Fully Franked Distribution of 1.90 cents per unit

Qube is pleased to announce that it will pay a fully franked distribution of 1.90 cents per unit for the six month period to 31 December 2010.

The record date for the distribution is 8 March 2011 and the distribution will be paid on 31 March 2011. The distribution reinvestment plan will operate for this distribution and a discount of 2.5% will apply. See Attachment 1 for further details.

Debt Levels

Provided below is Qube's proportional share of the net debt of the operating businesses as at 31 December 2010. Net debt is calculated as the external debt within the business at 31 December 2010 less available cash as at that date.

Proportional Share of Net Debt	**Net Debt ($m)***
Operating Businesses	
Landside Logistics	(9.6)
Auto, Bulk and General	(27.9)
Total Operating Businesses	**(37.5)**

* Figures are based on unaudited management accounts as at 31 December 2010

[3] Qube's proportional ownership of POTA in the Landside Logistics division is based on its existing 47.2% ownership interest and excludes the additional ownership that Qube will acquire through the exercise of its call option and the possible exercise by DP World of its put option.

Operating Businesses
As foreshadowed, Qube's proportional share of the net debt of each of the operating businesses has increased since June 2010 and is now around $37.5 million as debt funding has been used by these businesses to finance acquisitions, growth capital expenditure and new developments undertaken in the six months to December 2010.

It is expected that Qube's proportional share of net debt within these businesses will continue to increase in the period to 30 June 2011 as further growth expenditure is undertaken by each of the operating divisions.

Strategic Development Assets
Qube, through its wholly owned subsidiaries, has debt of around $48.3 million relating to its investment in Moorebank. This facility was recently refinanced for 3 years to December 2013.

Additionally, Minto Properties, in which Qube has a 50% shareholding, has net debt of around $9.3 million of which Qube's proportional share is around $4.65 million.

POTA Call and Put Options
As previously advised, Qube has a call option to acquire an additional 25% voting interest in POTA Holdings Limited (POTA) and DP World has a put option to require Qube to acquire an additional 25% or 50% voting interest in POTA. The call and put options both became exercisable from 1 January 2011. POTA is the business that currently comprises Qube's Landside Logistics division.

Qube intends to exercise the call option in the near term which would increase its voting interest in POTA to 75%. Additionally, Qube is presently in discussions with DP World that may lead to DP World exercising its put option over its remaining investment in POTA . The discussions with DP World are expected to be completed within the next 2-4 weeks and, if DP World exercises its put option, the call and put options would be exercised at the same time so that Qube can increase its voting interest in POTA to 100%.

The consideration payable will be based on the valuation multiples agreed with DP World at the time of Qube's initial investment and will take into account the required normalisation adjustments in accordance with the terms of the original transaction documentation.

Update on Internalisation and Corporatisation

As announced on 8 February 2011, The Trust Company (RE Services) Limited ("The Trust Company"), the responsible entity for Qube, has reached an in-principle determination to proceed with the internalisation of Qube's management and the change in Qube's structure from a trust to a company as these initiatives were considered to be in the best interests of unitholders. The Trust Company has appointed Deloitte Corporate Finance Pty Limited to prepare an independent expert's report to assess whether the Internalisation and Corporatisation are fair and reasonable and in the best interests of Qube's unitholders.

Subject to the outcome of the independent expert's report, it is presently anticipated that a unitholder meeting to vote on each of the Internalisation and Corporatisation will be held in late May / early June 2011.

Further to that announcement, Qube is pleased to provide additional information on the management and Board of Qube that will be put in place should the Internalisation and Corporatisation be approved by unitholders.

Managing Director

Maurice James has agreed to become the Managing Director of Qube. Maurice is currently Deputy Chairman of Qube's Investment Advisory Committee and is a Director of many of Qube's operating companies.

Maurice was previously an executive Director of Patrick Corporation where he was the Head of the Ports Group until its sale to Toll in 2006. He is currently a non-executive Director of Coates Group Pty Limited.

Board

Chris Corrigan has agreed to become the non-executive Chairman of Qube and Sam Kaplan has agreed to become the non-executive Deputy Chairman.

Subject to the completion of the conditional placement to Carlyle Infrastructure Partners (CIP) announced by Qube today, it is intended that a representative of CIP will be invited to join the Board of Qube.

It is expected that further appointments to the Board of Qube and the management team will be finalised shortly and relevant information will be included in the unitholder booklet that will be provided to unitholders.

The changes to the management and Board will only take place if the Internalisation and Corporatisation are approved by unitholders.

Further information on the Internalisation and Corporatisation is contained at Attachment 2.

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

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Attachment 1: About the DRP

The distribution reinvestment plan (DRP) will operate in respect of the distribution for the period to 31 December 2010. Securities issued for the half year distribution will be issued at a discount of 2.5% to the average of the daily volume weighted average price for all of Qube's units sold on the ASX over the 10 trading days immediately following the record date for payment of the distribution.

The units issued under the DRP are expected to be issued on or about 31 March 2011. A copy of the terms and conditions of the DRP can be obtained from Qube's website at www.qubelogistics.com.au.

Notices in relation to participation in the DRP must be lodged with Qube's registry, Computershare Investor Services Pty Limited ("Computershare"), by 5.00pm (Sydney time) on 8 March 2011. Unitholders should contact Computershare on 1300 850 505 for further information about the DRP and to obtain DRP election forms. If unitholders have previously notified the Registry regarding their election to participate in the DRP and do not wish to change their existing instructions, no further notice is required.

Attachment 2: Internalisation and Corporatisation

The Internalisation will take the form of an agreement by KFM as manager and The Trust Company as responsible entity of Qube to terminate the existing management agreement for an agreed consideration of $40 million. This consideration will be satisfied by an issue of New Qube shares in respect of at least 80% with the balance payable by Qube in cash. If approved, the Internalisation will take place immediately after completion of the Corporatisation.

The Internalisation requires approval by unitholders by way of ordinary resolution under Listing Rule 10.1 and section 208 of the Corporations Act. Deloitte will also opine on this element of the transaction. These resolutions will be ordinary resolutions. KFM and its associates may not vote on these resolutions. Approval of these resolutions is not a condition precedent to the Corporatisation.

The Corporatisation will take the form of a trust scheme which will require approval by unitholders by way of special resolution. Deloitte will provide an independent expert's report on the transaction. The unitholder booklet will provide detailed information regarding the transaction and its impact on unitholders. The booklet will also operate as a prospectus issued by New Qube in respect of shares to be issued to existing unitholders.

Conditions to completion

Implementation of the Corporatisation will be conditional on, among other things:

(a) unitholder approval in accordance with the constitution of Qube, the Corporations Act and the Listing Rules;

(b) confirmation of admission of New Qube to the Official List of ASX on completion of the transaction; and

(c) receipt of all necessary regulatory and third party consents.