



Highlights

- Port of Townsville achieved a new half year trade throughput record of 6.46 million tonnes, 15% above the year to date budget.
- Exports of magnetite from the Mount Moss Mine in North Queensland to Asia commenced through the Port of Townsville during the reporting period. This is a new commodity for the Port of Townsville, forecast to total 400,000 tonnes for the financial year.
- Construction works for the Townsville Marine Precinct (TMP) progressed during the reporting period in accordance with the construction program, scheduled for completion November 2011.
- Approval received from shareholding Ministers for the Corporation to increase the scope of the \$75M Berth 10A project by \$10M to improve berth flexibility for commercial trade. Berth 10A is to be redeveloped to accommodate operational requirements of the Australian Defence Force and to cater for cruise ships and military vessels on non-operational visits.
- Approval received from shareholding Ministers for the Berth 8 upgrade project at the Port of Townsville to proceed to enable relocation of operations from Berth 7 to Berth 8 and to accommodate the export of 1.2 million tonnes per annum of magnetite from Xstrata's Ernest Henry Mine in North West Queensland.
- Contractor procurement process for the Townsville Port Inner Harbour Expansion Project (Berth 8 and Berth 10A) commenced, with contract to be awarded July 2011.
- Contract for the Port of Townsville Expansion Project Environmental Impact Statement (EIS) awarded with assessment works underway.
- Nil lost time injuries and reportable environmental breaches recorded during the reporting period.

Financial Results*

Six months to December 2010	2010	2009
EBIT (\$M) <small>(Group Earnings before Interest and Tax)</small>	\$12.99	\$6.94
NPAT (\$M) <small>(Group Net Profit after Tax)</small>	\$6.98	\$4.71
Return on Equity <small>(Group Operating Profit after Tax (but before any abnormal or extraordinary items) divided by the average contributed equity plus asset revaluation reserve)</small>	1.98%	2.24%
Return on Assets <small>(Group Operating Profit after Tax (but after any abnormal or extraordinary items) divided by the total average assets)</small>	4.83%	5.53%

EBIT and NPAT are higher compared with the same time in the previous year as a result of increased trade for the same period.

Minor decline in return ratios has occurred despite better EBIT performance because of increased asset/equity values.

Capital Program

- TMP construction works are underway and currently on target to meet the completion timeframe of November 2011.
- Port Expansion EIS contract has been awarded and assessment works are progressing.
- Stage one of contractor procurement process for Berth 8 and Berth 10A complete. Early Contractor Involvement process to commence in first half of year 2011.
- Berth 10B approvals process to commence in 2011.

Non-Financial Results

Six months to December 2010	2010	2009
Total Trade Throughput (million tonnes)	6.86	6.07
Lost Time Injury Frequency Rate (LTIFR)	0	21.47
Customer Satisfaction	80%	86%
Trade Vessel Arrivals	406	358

The reduction in LTIFR follows the provision of mandatory training and fitness programs implemented to reduce the rate of injury in the workplace.

Corporate Entertainment and Hospitality

Event	Date	Cost
Employee Christmas Party#	11/12/2010	\$12,814

In accordance with the Corporation's Hospitality and Entertainment Policy.

This report has been prepared based on information readily available as at 31 December 2010, and has been prepared for general information purposes. Representations made in this report may be subject to change and should not be relied upon.

**The financial information provided in this document is unaudited. For audited financial statements please see the Annual Report 2009/2010.*