

Highlights

- Trade throughput and associated trade-related revenue exceeded budget for second quarter.
- Announcement by Xstrata on 3 December 2009 of proposed life extension of its Ernest Henry Mining operation and the commencement of magnetite exports through the Port of Townsville to Asia in 2011.
- Transfer of Port of Lucinda to Port of Townsville Limited (the Corporation) on 1 July 2009.
- In principle approval received from Government for the Townsville Marine Precinct Project (TMPP) to proceed.
- In principle approval received from Government for the development of Berth 10 Stage A at the Port of Townsville to accommodate operational demands of the Australian Defence Force and to cater for cruise ships and military vessels on non-operational visits.
- Preliminary engineering and environmental studies completed for port development and expansion works at the Port of Townsville.
- Negotiations with Legend International Holdings Inc for the export of up to 5 million tonnes per annum of phosphate rock through the Port of Townsville progressing.
- Construction of the new Townsville Port Access Road underway and progressing, scheduled to open in 2012.

Financial Results*

Six months to 31 December	2009	2008
EBIT (\$m)	6.95	5.25
NPAT (\$m)	4.71	3.69
Return on Equity (%)	2.24	1.88
Return on Assets (%)	5.53	4.76

Performance targets are higher compared with same time in the previous year as a result of increased trade for the same period.

Non-Financial Results

Six months to 31 December	2009	2008
Total Trade Throughput (Million Tonnes)	6.07	5.70
Lost Time Injury Frequency Rate	21.47	0
Customer Satisfaction (%)	86	66
Trade vessel arrivals	358	368

The LTIFR varies from previous year results due to two lost time injuries during the reporting period. Long-term strategies such as mandatory training and fitness programs are being implemented to reduce the rate of injury in the workplace.

Capital Program

- The Corporation is in the process of engaging an Alliance partner for construction of the TMPP.
- Design and approvals progressing for Port Expansion, Berth 12, Eastern Reclamation Area and Berth 8 & 10 upgrade projects.

Corporate Entertainment and Hospitality

Event	Date	Cost (\$)
Employee Christmas Party*	11 December 2009	\$16,489

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

This report has been prepared based on information readily available as at 31 December 2009, 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 2008/2009.*