

ASX/MEDIA RELEASE

Tuesday, 21 April 2009

Monetisation and Third Quarter Operating Update

Asciano Group is pleased to provide the following update in terms of its previously-announced monetisation process, together with an update on Asciano's operating performance for the nine months to 31 March 2009.

Monetisation Update

Asciano has received a range of proposals from a number of parties in relation to its expanded monetisation process as set out in Asciano's market announcement of 16 March 2009. These proposals include indicative offers for a range of different assets, together with a number of proposals relating to transactions that may result in a change of control and/or a recapitalisation of the Group.

All of the proposals are conditional and non-binding. Asciano is currently evaluating the proposals and will proceed to select a smaller group of parties to complete further due diligence and provide final binding offers.

Asciano continues to target the announcement of a transaction by the end of the current financial year.

Operating Update

Patrick Container Ports

	9 Months to March		
	2009	2008	% Change
Container Lifts ('000)	1,434	1,468	-2%

- Overall container lifts for the financial year to date are marginally below the level achieved last financial year. Following a slight increase for the December half-year, container volumes experienced significant weakness during the months of January and February, with container lifts declining by approximately 13% during the two-month period. This reflected the impact of softening consumer sentiment and industrial production, together with a run-down of domestic inventories, impacting on volumes.
- Some stability returned to volumes during March, with total container lifts approximately 3% below March 2008.
- Volumes in Sydney remain robust – for the nine months, container lifts at Port Botany increased by approximately 5%. Conversely, Patrick's East Swanson Dock facility in Melbourne continues to bear the brunt of volume reductions. For the nine months, East Swanson Dock experienced a 10% reduction in container lifts. Over the same period, volumes in Brisbane and Fremantle were virtually unchanged from the previous year.

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Patrick Auto, Bulk & General

	9 Months to March		
	2009	2008	% Change
Autocare – Vehicles carried ('000)	769	878	-12%
Autocare – Vehicle storage days ('000)	13,553	9,129	+48%
Bulk Rail – Grain/industrial NTK's (m)	2,514	2,053	+22%
Stevedoring – Bulk/general tonnes (m)	19.0	17.1	+11%

- Motor vehicle transport volumes have remained weak through the March quarter, as retail sales of new motor vehicles have declined. The impact of these reduced transport volumes on the business has been partly offset by continued high levels of storage as motor vehicle stockpiles grew steadily during the December half-year.
- Bulk rail volumes have experienced solid growth, with grain volumes showing a significant increase (in excess of 70%) over last year reflecting a substantially larger grain harvest in New South Wales. Industrial rail volumes have declined slightly, reflecting some slowing in industrial activity, particularly in the mining sector.
- Overall Bulk and General stevedoring volumes remain ahead of last year. Bulk volumes have continued to grow during the March quarter reflecting, in particular, improved agricultural commodity flows. General stevedoring volumes have slowed over the past three months, reflecting a slowing in underlying economic growth.

Pacific National Intermodal

	9 Months to March		
	2009	2008	% Change
Net Tonne Kilometres (m) – excluding Tasmania	17,448	19,440	-10%

- Containerised freight volumes are down approximately 5% (as measured by total TEUs) for the year to date, reflecting some slowing in the domestic freight task as economic activity has slowed. However, the Express business has continued to perform well during the March quarter. Overall express volumes (TEUs) have increased by 18% for the financial year to date.
- Reduced steel volumes noted in the December quarter have continued, with total tonnes carried for the financial year to date down approximately 20% from their 07/08 peak. Slower trading conditions and slower than expected customer destocking have contributed to lower steel volumes.
- The response to date to the volume decline has been to revise the service plan and reduce both fixed and variable costs across the business.

Pacific National Coal

	9 Months to March		
	2009	2008	% Change
Net Tonne Kilometres (m)	10,208	9,318	+10%

- Overall coal volumes have continued to improve through the financial year to date, reflecting continued customer demand and additional rolling stock capacity deployed by Pacific National in the Hunter Valley.



- The coal division achieved record monthly volumes during January, surpassing the previous record month of December 2008.
- Volume growth slowed slightly during February and March reflecting a number of one-off supply chain interruptions (primarily track maintenance shutdowns and weather-related disruptions). These impacts were temporary in their nature, and the underlying growth profile of the business remains strong.

Commenting on the operating performance for the financial year to date, Asciano's Chief Executive Officer and Managing Director, Mark Rowsthorn, said "The key trends which began to emerge in our business during the later stages of the December quarter have continued through the March quarter.

A number of our non-bulk operations, particularly containerised imports, steel and motor vehicles, have experienced a deteriorating operating environment. Whilst the return of some stability to container volumes during March provides some encouragement, we expect market conditions for these businesses to remain challenging in the short term.

On the other hand, our bulk operations continue to perform extremely well. We expect the current robust operating environment for our coal and grain rail haulage businesses, in particular, to continue for the balance of the financial year and into 2009/2010.

The strength of these businesses, together with the extensive efficiency initiatives being actively pursued across all of the business units, result in us continuing to expect that Asciano's 2008/09 full-year EBITDA (excluding significant and non-recurring items) will be above the level achieved in 2007/08."