



ASX ANNOUNCEMENT

Friday 7 May 2010

The Manager
Company Announcements Office
Australian Securities Exchange
Level 45, South Tower Rialto
525 Collins Street
MELBOURNE VIC 3000

ELECTRONIC LODGEMENT

Dear Sir or Madam

Macquarie Australia Conference

I attach for release to the market a copy of a presentation to be delivered by Asciano's Managing Director and CEO Mark Rowsthorn, at the Macquarie Australia Conference this morning.

Yours faithfully

A handwritten signature in black ink that reads "F. Mead". The signature is written in a cursive style.

Fiona Mead
Company Secretary

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Macquarie Australia Conference

Presentation



07/05/2010

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March Quarter Update

COAL	3 months to Mar. 10	3 months to Mar. 09	Change
NTKs (m)	4,418	3,316	+33%



INTERMODAL	3 months to Mar. 10	3 months to Mar. 09	Change
NTKs (m)	5,289	4,828	+10%



March Quarter Update

CONTAINER PORTS	3 months to Mar. 10	3 months to Mar. 09	Change
Lifts ('000)	435	430	+1%



AUTO, BULK & GENERAL	3 months to Mar. 10	3 months to Mar. 09	Change
Vehicle Movements ('000)	275	220	+25%
Vehicle Storage Days ('000)	2,031	4,643	-56%
Bulk/General Tonnes ('000)	3,590	7,064	-49%
Bulk Rail NTKs (m)	802	981	-18%



ROBUST EARNINGS GROWTH

- EBITDA increased by 7.9%
 - EBITDA Margin improved strongly to 25.7% (HY09: 22.8%)
 - EBIT increased by 5.8%
 - Strong contribution from bulk operations with improving environment for non-bulk operations
 - Ongoing commitment to cost management and productivity improvement
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Restructured Balance Sheet

- Gearing (Net Debt/EBITDA) at 31 December 2009 of 3.6 times
- Nearest debt maturity two years away in May 2012

Facility	Maturity Date	Amount Drawn (31/12/09)	Undrawn Balance
Term Loan	May 2012	\$2,250m	-
Revolving Credit	Dec. 2013	-	\$500m
Term Loan	Dec. 2014	\$500m	-
Drawn debt		\$2,750m	
Working Capital	Dec. 2013	\$128m ¹	\$12m
Cash on Hand			\$273m
Available Liquidity			\$785m

¹ Working capital facility amounts drawn are all in the form of guarantees and performance bonds, no cash has been drawn under this facility

BALANCE SHEET RESTRUCTURED

- Capital raising completed - \$2.45b (Aug 2009)
 - Debt restructure announced - \$1.14b (Dec 2009)
 - No refinancing requirement until May 2012
 - Gearing (Net Debt/EBITDA) at 31/12/2009 of 3.6 times
 - Revised financial policies adopted
 - Credit Ratings achieved
 - Moody's: Baa3 (Positive Outlook)
 - Standard & Poor's: BBB- (Positive Outlook)
- allowing medium term debt strategy to commence
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MEDIUM TERM DEBT STRATEGY

- **Key objectives:**
 - Break-up 2012 maturity
 - Diversify funding base - reduce reliance on banking market
 - Lengthen funding profile to better match asset base
- **Full range of debt-funding options to be considered**
 - Domestic and international debt capital markets, retail and wholesale markets, asset-linked financing (existing and new assets)
 - US 144A and Euro denominated markets the most likely preferred initial options, but will maximise flexibility to tap other markets
- **Timing**
 - On track for initial debt capital markets issuance following FY10 results, subject to market conditions
 - Target debut issuance for at least A\$500m equivalent with 7 to 10 year maturities before the end of calendar 2010

QR Privatisation

- Queensland Government plans to privatise QR via IPO by end 2010
 - Privatisation will likely mean a more commercial focus and higher funding costs for QR post-privatisation
 - Queensland Government needs to provide certainty to QR National's competitors and the State's coal producers
 - We are looking at all options to ensure a 'level playing field' – the regulatory regime must protect and foster competition
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3rd Operator (Container Ports)

- Hutchison awarded preferred operator status in Sydney and Brisbane
 - Port of Melbourne Corporation considering early development of Webb Dock prior to original plans to accommodate third operator, although no decision has been made to date.
 - Asciano will strongly defend the right to stay at Webb Dock until 31/12/2017
 - The path forward must ensure that our auto and general stevedoring operations are accommodated
 - Any additional capital investment by Asciano to be assessed against level of certainty going forward
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Full Year 2010

- With continued volatility in containerised volumes to date. Asciano remains cautious on volumes in the fourth quarter
- Continued strong contribution from key bulk operations (particularly coal), will have a positive impact on 2009/10 full-year results

Medium to Long Term

- Medium term, a cyclical recovery in Asciano's non-bulk operations
- Continued significant investment of capital with a focus on ROCE, high quality coal/bulk rail opportunities (assuming a "level playing field" for competition)
- A continued focus on cost management, efficiency gains and margin improvement
- The competitive advantages Asciano enjoys as a result of the quality and strategic positioning of our operations



THE ELEMENTS

- New Directors appointed (Broomhead, Edgar, Kleemann)
- Recalibrated balance sheet with Credit Ratings in place
- Absolute focus on ROCE (improved capital processes)
- Business improvement programme being developed with strong focus on productivity and asset utilisation
- Significant growth opportunities
- Stapled security structure – project team in place to review current structure in 2010



Questions

