



## ASX ANNOUNCEMENT

Monday 7 February 2011

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

### ASX RELEASE

I attach for release to the market the transcript from Asciano's Investor / Analyst conference call held at 12 noon today.

Yours faithfully

A handwritten signature in black ink that reads "F. Mead". The signature is written in a cursive style and is contained within a white rectangular box.

**Fiona Mead**  
Company Secretary

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## Speaker List

C: Angus McKay;Asciano;CFO

C: Malcolm Broomhead;Asciano;Chairman

C: John Mullen;Asciano;CEO

P: Matt Spence;Merrill Lynch;Analyst

P: Cameron McDonald;Deutsche Bank;Analyst

P: Ross Kelly;Dow Jones;Analyst

P: Scott Ryall;CLSA;Analyst

Operator: Ladies and gentlemen, thank you for standing by and welcome to the Asciano conference call. At this time all participants are in a listen only mode. There will be a presentation followed by a question and answer session, at which time if you wish to ask a question you will need press star one on your telephone.

I must advise you that this conference is being recorded today Monday 7 February 2011.

I would now like to hand the conference over to your first speaker today Mr Angus McKay. Thank you sir. Please go ahead.

Angus McKay: Thank you and good afternoon everybody and thank you for joining us on this conference call. My name is Angus McKay. I'm the Chief Financial Officer for Asciano and I am joined on this call by Mr Malcolm Broomhead, the Chairman of Asciano and Mr John Mullen who we have just announced today will become the Chief Executive officer of Asciano from Monday of next week.

The format for today's call is that there will be an address from both Malcolm and John. After that address we will then take questions from both the analytical community and from investors. I would ask that everybody announce their name and their organization when asking a question and if you would please restrict yourself to one question so that we can get through everybody and if we have time we will come back.

In the event that we don't get to all the questions, please feel free to contact either myself on the number noted on the ASX announcement or Mr Ian Smith also on the number noted on the ASX announcement.

Finally, before handing over to Mr Broomhead I would just make everyone aware that today's phone call is being recorded and a transcript will be lodged with the ASX reasonably closely following this call.

So with that I will announce Malcolm Broomhead, Chairman of Asciano.

Malcolm Broomhead: Good morning ladies and gentlemen. I'm Malcolm Broomhead - as Angus said - Chairman of Asciano. Many thanks for your time this afternoon.

As you would be aware the Board of Asciano has made a very significant appointment today. John Mullen will become CEO from 14 February, replacing Mark Rowsthorn - and I'm joined for this analyst and investor call by John and Angus.

We have achieved several key milestones last year, including the corporatisation and business restructure of the company; the debt refinancing; and of course the recruitment of our new CFO - and that enables us seamless change in leadership to occur at this time.

But before we get into that, I just want to pay tribute to and acknowledge Mark Rowsthorn. Mark's put his heart and soul into Asciano. He's done a sterling job in the achievement of the milestones I just listed and we want to thank him for his leadership

since the company de-merged from Toll Holdings and listed in 2007. Since that time he's had some pretty big challenges to tackle.

We wish him every success for his future.

Now under the provisions of Mark's contract he will remain an employee through until 15 June and will assist with the transitional issues as needed.

I want to make sure that he's recognized among staff and customers for being such a key person in the emergence of Asciano onto the Australian corporate map and we will be doing that in due course.

Mark's led Asciano for almost four years as a listed company, and clearly before that when it was part of the Toll Group. It was approaching the time for normal succession planning and to look for the appropriate leader for the next phase of the company's growth. Therefore we recently started to look for the appropriate successor to Mark and while most corporate searches take quite some time - and we assumed that would be the case here - we were extremely fortunate to not only identify a world class candidate much earlier in the process than any of us expected, but also to secure his services quickly.

Hence John will start on Monday next week. He is the former global CEO of DHL Express and before that a senior manager with TNT, both globally and here in Australia. He's an exceptionally well qualified person for this job, bearing in mind that DHL Express is a company that employed over 140,000 people in 220 countries; revenues of AUD20 billion and clearly part of the major transport and logistics company of the world.

John therefore knows the transportation and logistics industry. He has a strong focus on customer requirements and he works very well with teams. His business status is such that he currently sits on the boards of Telstra, Brambles, and Macquarie Airports - although he will be stepping down from Brambles and Macquarie Airports as he takes up this role.

Those who know him well speak tremendously highly of him and I must say that we've been immensely impressed and grateful that he's decided to turn back to executive life.

John has said how he wants to get to work soon and how he wants to meet with staff, shareholders, customers, banks, government, regulators and others and he will do so as soon as possible.

With the CFO Angus McKay, John will get around and talk to many of you who are on this call in the coming months, and you will also see him at our forthcoming half year results.

I believe Asciano is a company with great potential. With a demand for infrastructure and logistics solutions so critical to Australia's economic wellbeing, the opportunities for this company are enormous.

As always our focus will be on creating shareholder value and on growing total shareholder returns. With John at the helm and with our talented leadership group with him, I look forward to the future.

So that's all I want to say at this juncture. I will now hand over to John for a few words.

John Mullen: Thank you very much indeed Malcolm. Ladies and gentlemen good afternoon. I think it's a little premature to say too much at this early juncture although I would very like to start by saying that I consider myself very privileged to be given the opportunity of leading Asciano in the future.

Asciano is a very fine company with an excellent set of assets and there seems to me to be a very capable management and staff. Since its listing, Mark Rowsthorn and the team have created a very strong business and laid a solid foundation for the next phase of growth and development.

As Malcolm noted, the company reached several key milestones in 2010. It's come a very long way in the last couple of years, with significant restructuring of the balance sheet, Board and management, and this gives me great confidence that the building blocks are there to take the company on to a new level in the future.

I have spent virtually all my working life in the transport and logistics sectors, and while I do not have a detailed knowledge of rail, ports and other businesses that make up the Asciano portfolio, I am still very confident that most of the same business principles apply throughout the logistics industry.

It's a great industry and it's an industry which is here to stay with long-term potential and a tangible value-add to the Australian business community and the nation I believe.

While the global economy has been severely challenged over the last few years - that's for sure - Australia has been buoyed by its strength in natural resources and proximity to Asia. Asciano sits squarely in the midst of this sector of the economy. And whilst I'm under no illusions whatsoever that business is tough and is always likely to be that way, nonetheless Asciano is in a fortunate position in a fortunate economy and it's up to us here now to maximize this opportunity to the best of our ability.

It's premature to make detailed comments now, but I do plan to meet as many of you as I can in the weeks ahead, particularly at the forthcoming half yearly results. I look forward to discussing these opportunities with you at that time.

Actually it's because of these tremendous opportunities that I chose to return to Australia after many years working overseas and joining the boards of Telstra, Brambles and Macquarie Airports I thought that the days of being a full-time executive were behind me and I had no intention to returning to a full-time corporate role. However when this opportunity came up and Malcolm had a series of discussions with me, I became increasingly excited about the tremendous opportunities that this role presents.

Malcolm is a very persuasive person I've come to learn, and I'm very much looking forward to working with him and with the Asciano Board and all the teams here in the future.

Regrettably the demands of a full-time CEO role of course make it impossible to maintain all the other board roles that I hold and as a result I am resigning from the boards of Brambles and Macquarie Airports, but I will retain the role of non-Executive Director at Telstra.

Speaking to you all today, particularly our investors, I naturally am reluctant to say too much until I have had a chance to get to know the company, it's management, staff, customers and other stakeholders, but I can only reiterate that my job will be to focus on delivering long-term value and growing the business for the future.

So while I'm very happy to answer any questions, please forgive me therefore if I do not say a lot more than this at this early stage.

So many thanks and hand back to our Chairman.

Angus McKay: That concludes the prepared remarks. I would now invite people on the call to submit questions to the operator and we'll answer those in turn.

+++ q-and-a

Operator: Ladies and gentlemen we will now begin the question and answer session. If you wish to ask a question please press star one on your telephone and wait for your name to be announced. If you wish to cancel your request please press the pound or hash key.

Our first question comes from Matt Spence from Merrill Lynch. Please ask your question.

Matt Spence: Thanks. I guess if we're being asked to limit ourselves to one question then we go for the big issues. So for the Chairman, why the change, which as you say is earlier than we expected? Can you give us something - was it differences in strategy? Is it short-term performance issues? Why is Mark being asked to move on?

Malcolm Broomhead: No, not that. I mean this is when normal succession planning would start. The role of CEO often takes a long time to fill. We expected the process to go, you know, a considerable period of time and it just so happened that we have a world class CEO with deep industry experience available now. And the Board took the view that if you look in terms of the next phase of the company growth, John has got the skills set that we are looking for to drive us through that growth. He's available now, so we thought it was in the company's interests to get him while he was available.

It's really as simple as that. As to exactly why as opposed to a few weeks away, we are into the start of the strategic planning process in the company and it's important that the incoming CEO owns that process. Also the half year road show presents a great opportunity for John to meet investors and analysts and the media at that time.

So that really is the timing, it is nothing more than that.

Matt Spence: Okay, thanks.

Operator: Our next question comes from the line of Cameron McDonald from Deutsche Bank. Please go ahead.

Cameron McDonald: Oh good afternoon, gentlemen. A question again for you, Malcolm, if I can? You've mentioned a couple of times that, you know, John will lead the company into its next phase and that it was the right timing for that change to occur. Can you just outline a little bit, with a little bit more clarity, about what your vision for that next phase of opportunity for the company is?

Malcolm Broomhead: Okay, well look, Mark has done a terrific job in I guess repositioning the company from where it was when it listed to now being a normal company structure with a good robust balance sheet and good performance measures with good growth prospects in coal.

So really if you like the establishment of the company, then the weathering of the storm which occurred with the GFC and now setting the company up with a strategy and structure is complete. Now the next phase is to firstly deliver on the assets that we have. Clearly the return on assets in all the divisions is something that we are very focused on improving and on growing total shareholder returns.

So that is where we are at now. Then beyond that as the company grows and prospers will be where the next phase of growth comes from beyond coal, but that is going in the future. That is not a matter for now.

Cameron McDonald: Thanks.

Operator: (Operator instructions). Our next question comes from the line of Ross Kelly from Dow Jones. Please go ahead.

Ross Kelly: Hi there, just another one for you, Malcolm. I just wanted to confirm that it was your decision for Mark to leave the company and not Mark's?

Angus McKay: Ross, if you do not mind, we are just going to take calls, as I said from analysts and also from investors on this call. Your question can be answered via Ian Smith who I know is available to take that call.

If we can move to the next question please, Operator?

Operator: Our next question comes from the line of Scott Ryall from CLSA. Please go ahead.

Scott Ryall: Thank you very much. Malcolm, you mentioned that your strategic planning process starts in a few weeks. I was wondering, obviously you won't give us any direction as to where that is headed. But I was wondering if you could just outline the issues that will be discussed and yeah the major structural changes that will at least be discussed during that process?

Malcolm Broomhead: Yes, this is an annual process. We, clearly from our point of view the two major issues are improving the return on existing assets and existing shareholder funds, getting those to the sorts of performance parameters that are near and dear to us all.

Then growing total shareholder wealth. The growth clearly is centred around coal although there are opportunities in the other divisions, but that's where the clear focus is. So that they are the issues. Always we look at the business and say do we have the right assets to deliver the sorts of returns the shareholders need.

You know we believe that there's still enormous potential in improving the returns on the existing business although a lot has been done. Mark has certainly set in place some great challenges there and delivered a lot in terms of - there's debate there is a lot more that is available.

Scott Ryall: Okay, thank you.

Operator: (Operator instructions) There are no further questions at this time. Please continue.

Angus McKay: It sounds, Operator, that that is almost a natural conclusion. So I will just remind everyone, we are only too happy to take questions from certainly both the analysts and investors and also from media. Analysts and investors if you would mind referring calls directly to myself; for media inquiries to Ian Smith.

I would just like to thank you for your time this afternoon in terms of participating on this call and we look forward to communicating with you further, formally, at our half year results later on this month.

Thank you.

Malcolm Broomhead: Thanks very much.

John Mullen: Thank you.

Operator: Ladies and gentlemen that does conclude our conference call for today. Thank you for your participation you may now all disconnect.