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PRESENTATION

Marie Festa - ***Asciano - General Manager Investor Relations***

Good morning everyone and welcome to Asciano's half year results presentation. My name is Marie Festa and I'm the head of investor relations for Asciano. Copies of this morning's presentations are available on the Asciano website and this morning's session is being webcast and a number of participants are joining us by teleconference. A replay of today's presentation will also be available shortly on the Asciano website.

Before starting the presentation, I'd like to draw your attention to the disclaimer statement on slide two. Presenting today are Asciano CEO John Mullen and CFO Angus McKay. With that, I'll hand over to John.

John Mullen - *Asciano - CEO*

Great. Thanks, Marie. A very good morning everyone. My name is John Mullen and as you know I'm the new CEO of Asciano. Although I've only been with the company literally a few days, this is a really exciting company and I've been really impressed with what I've seen so far. We've got positive results to report to you today and these clearly reflect the hard work and focus demonstrated by the company over these last six months.

I'll begin by running through the half year highlights and general performance of the component businesses and will then hand over to Angus to provide a more detailed overview of the results. Then at the end, I will try and conclude the presentation with some comments around building upon the existing business momentum and some brief observations about the outlook for the business and my early thoughts as to key priorities.

So if I can start with the highlights, Asciano delivered solid earnings growth during the period and improved return on capital employed. Safety continued to be a very strong focus within the operations with the Home Safely Every Day campaign successfully rolled out during the period. A number of new coal haulage contracts were secured over the past six months in both Queensland and New South Wales. In September, Asciano completed a US dollar issue. As a result, achieved a Moody's credit rating upgrade.

Leadership capability was enhanced with the appointment of a number of new executives. The company has since commenced annual refresh of our ten year strategic plan. Finally, in October, we completed the corporatization of Asciano on approval from shareholders. Today I am pleased to announce that a fully franked interim dividend of $0.01 per share will be paid on 24 March this year.

Moving to our financial performance for the half year, we're pleased to announce what we believe are solid results. Revenue increased by 8.8% to AUD1.6 billion. EBITDA grew by 1% to AUD409 million. EBIT increased by 17.4% to AUD71 million and EBIT margin to 17.3% from 16%. ROCE improved a return on capital employed improved by 220 basis points, 8.3%. Asciano's earnings per share also improved from $0.029 to $0.032.

The key drivers of this strong earnings growth were the increased contribution from our growing coal haulage operations in Queensland and the continued focus on improving operation efficiency and cost management. If we then look at the operational performance by division, you will see that solid results were achieved despite some pretty difficult operating circumstances in the period.

Starting with the coal division, one of the key milestones achieved during the past six months was the signing of the first Northern Missing Link contract with Middlemount in Queensland. In addition, a number of long term contract renewals were executed in New South Wales, including Centennial, Austar, Integra Coal and The Muswellbrook Coal Company.

Overall, all these volumes are slightly below our expectations in Queensland due to wet weather and flooding that everybody knows about in quarter two. Track congestion in Hunter Valley in New South Wales and some wet weather impacts led to some marginal erosion in this business. However, this was offset by the growing Queensland operations.

Unfortunately, we also experienced four derailments during the period. I would like to take this opportunity, though, to acknowledge the innovation displayed by Queensland colleagues during what was a very difficult period. Their dedication and persistence is to be congratulated.

The subdued domestic retail market and the loss of our customer Austrans impacted containerized freight volumes during the period. Steel markets, as everybody knows, were impacted over the past six months by continuing flat conditions in the construction sector, a reduced level of Government stimulus spending. This of course had a knock on effect on steel haulage volumes. Intermodal result was also hampered by derailments during the period.

Results in the container ports division improved on last year. Overall, container trade through Australia's ports remained stronger in the first quarter but did soften during quarter two. Having said this, Patrick volumes continue to track behind port growth, predominantly due to the loss of the OVSA contract in the prior year and ongoing changes to shipping consortium.

The focus during the half was on improving customer service and cost management. Customer service levels, as measured by on time departures, improved on the prior six months. With respect to landside performance, truck turnaround times exceeded industry benchmarks, averaging 36 minutes across all ports.

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Auto bulk and general was positively impacted by continuing recovery in motor vehicle sales and vehicle storage volumes. This was off the back of improved customer sentiment and launch of several new vehicles into the marketplace. Bulk rail volumes benefited from strong grain export volumes in New South Wales and Victoria and infrastructure project works by the Australian Rail Track Corporation.

Varying levels of demand for agricultural and industrial products across Australia resulted in mixed volumes at Patrick regional port operations and general stevedoring businesses. All in all, therefore, we are really pleased with the first half. Financial performance was strong and many other important metrics such as service performance improved despite the impact of very challenging weather conditions and other external factors.

So I would now like to hand over to Angus who will take you through the results in more detail.

Angus McKay *- Asciano - CFO*

Good morning everybody. Today I'll take you through the financial performance of the group and each of its divisions. I'll also look at our balance sheet, our cash flow and finish with some comments on our refinancing strategy. Let me start by taking you through the financial performance of each of the divisions.

Firstly, coal. There was strong growth in this business with NTKs up over 23.1%. This growth was predominantly due to newly contracted volumes in Queensland. Overall, Queensland coal volumes more than doubled when compared to the same period last year while NTKs in the Hunter Valley also grew, but by 6%.

Impressively, the coal division's revenue increased by 35%. EBITDA grew by 36% and EBIT by 41.5%. Margin improved at both an EBITDA and EBIT level. Severe weather and flooding at the end of Q2 impacted volumes on both the Queensland and northern New South Wales business. Congestion issues within the Hunter Valley led to significant increases in cycle times over the period and lower than planned coal haulage being available in quarter two.

Both these issues led to some margin erosion in that part of the business. It is also important to note that earnings were impacted by four separate derailments during the period. Return on capital employed improved by 200 basis points, reflecting both an increase in earnings and our margin improvements. Cash conversion decreased and this reflects changes to working capital requirements arising from the continued investment in the Queensland marketplace.

Now moving to intermodal. If we look at each of the businesses within intermodal, we saw continued growth in the express volumes with TEUs up 14% on the same period last year. Steel volumes grew by 3% when compared to the previous corresponding period despite the impact on steel markets of the appreciating Australian dollar and lower construction activity. SuperFreighter volumes were 5% lower when compared to the TEUs moved over the same period last year due to softer demand and the loss of our customer Austrans.

Intermodal continued with its Six Sigma and other business improvement projects and to date has delivered solid improvements in its operating service levels and in cost savings. In Q1, new enterprise agreements were approved by FairWork Australia and are now in place for the three years.

It is important to note that earnings comparisons displayed on this chart include the impact of our Pacific National Tasmanian operations in the prior half. This business was sold in November 2009 and the numbers here include both the revenue and profits from this business and also the sale and profit on disposal. If we exclude the impact of PN Tasmania, the intermodal business revenue increased by 5.2% and EBIT declined by 3.8%.

The decline in EBIT was driven by the loss of Austrans, a less than favorable sales mix in steel and the impact of derailments during the period. ROCE for the business improved by 90 basis points on the corresponding prior period. Cash conversion also increased by just under 400 basis points, reflecting the disposal of our Pacific National Tasmania business in 2010.

Now turning to container ports. The container ports division performed well, despite reduced volumes being handled through its terminals. Total container lifts were down 2.9% when compared with the previous corresponding period and this comparison continues to reflect the loss of the OVSA contract and other consortia changes. If you look at our existing customers, the list grew by 3% and this excludes subcontractor volume which increased late in Q2.

Across the four terminals, there were mixed results. Lifts in Melbourne grew by 3% and grew by 33% in Fremantle whilst in Sydney and Brisbane, lifts declined by 10% and 15% respectively. As a result, revenue for the division decreased by 3.1% whilst EBIT increased by 16.7%. The main drivers of the EBIT improvement was the reorganization of the port's logistics business, benefits from cost savings achieved to date and the effect of the impairment that was taken at 30 June 2010.

The impairment clearly reduced the amortization expense, and as a result, the reduction in intangibles relating to customer contracts. Port logistics performance improved significantly over the six month period on the back of the withdrawal from unprofitable business segments. Importantly, EBIT margins for the division improved by almost 307 basis points. This was, as we view the growth, a result of the improvement in port logistics businesses and the delivery of the cost initiatives to date.

The container ports division has also worked hard on improving its customer service. On time vessel departures improved and truck turnaround averaged 36 minutes across all ports. We have made significant progress in the Brisbane automated terminal which exceeded our performance expectations during the period. ROCE improved by 220 basis points, the key drivers of which were both the improvements in margin and the reduction in capital employed resulting from the impairment taken last year.

Cash conversion increased significantly, reflecting the increase in both EBITDA and EBIT margins and changes to that working capital, as I've described previously. Turning to our final division, auto bulk and general. Overall earnings in the ABG division improved significantly compared to the same period last year. This was predominantly due to growth in earnings from Bulk Rail, Autocare and Bulk Ports.

Revenue grew by 10% while EBIT improved by 41.2%. Autocare performed ahead of last year on the back of improved storage volumes and motor vehicle imports. This was primarily driven by increased motor vehicle sales.

Bulk ports earnings improved with higher volumes handled at our regional ports and steel and fertilizing in particular were the key growth commodities during the period.

In contrast, general stevedoring earnings declined. This was primarily due to subdued volumes in Western Australia over the six month period.

The bulk rail business benefited from strong grain exports and additional rail infrastructure project work during the six month period. Altogether, ROCE improved by some 500 basis points, which improvement in earnings combining with greater working capital discipline and a better utilization of assets, including rolling stock within this division.

Cash conversion increased extensively, reflecting both the increase in EBITDA and EBITDA margins and also to changes in working capital requirements compared to the prior half year.

Now looking at the Group as a whole, you'll note that our earnings continued to improve on the prior period. Total revenue increased to AUD1.6 billion while EBIT before significant items increased by 17.4% to AUD271 million. Earnings quality also improved slightly with EBIT margins increasing from 16% to 17.3%. You'll note that our net finance expense is higher than our 2010 half year at AUD155 million, however I must stress that these figures in this presentation include the significant or one-off financing costs totally some AUD29.6 million in the 2011 half year and AUD4.6 million in the prior 2010 half year.

These items mainly comprise of interest rate de-designation costs and the write off of capitalized borrowing costs associated with a AUD1 billion of fixed term debt that was repaid in September 2010. Excluding these significant items and other borrowing costs, our net interest expense reduced by AUD6 million to AUD113 million in the first half. Our average all in interest rate for the first half was at 9.4% and we're currently 74% hedged.

The tax expense of AUD22 million includes a number of one-off items as well. These relate to the capital gains and fixed assets. Excluding these adjustments, the effective tax rate is just under 30%. We anticipate using our remaining tax losses in the near future, possibly by the end of the current financial year, otherwise in 2012.

Finally, we are pleased to report an increase in earnings per share from AUD0.029 to AUD0.032. This is the Asciano basic and diluted earnings per share, reflecting the earnings per share as if the Asciano finance trust was a wholly consolidated subsidiary, the whole of both the financial periods and, as John mentioned, an interim dividend of AUD0.01 will be paid on 24 March. The dividend will be fully franked and represent payout ratio of some 31.2%.

Group return on capital employed improved by 220 basis points over the trailing 12 month period and return on capital employed today stands as 8.3% for the Group.

As previously mentioned, Asciano has been in the process of building momentum over the past few years and this slide demonstrates that we are very much moving in the right direction. The continued expansion of our coal haulage operations, the return of demand to our auto bulk and general businesses and the continued management of our core cost base more than offset the effect of softer than expected retail demand which continues to impact both intermodal volumes and container volumes in the terminals business.

Now briefly turning to cash flow, operations generated AUD190 million of cash flow in the first half. Other non-cash items comprise of fair value adjustments, actuarial assessments and other items not requiring the movement of funds. The tax payment relates to Autocare which is a subsidiary outside of the Asciano Consolidated Group. Net interest paid was at AUD31.4 million lower than the prior period and was a result of the changing timing of interest payments and lower than average net debt levels. The operations generated operating cash flows before interest and tax of some AUD317 million reflective of a cash conversion rate of some 77.5%.

Moving on to capital expenditure, you will note that our overall capital spend of AUD187 million is substantially lower than our 2010 half year. This is mainly due to the substantial investment in the prior year relating to the formative Queensland coal haulage contracts. We're still very much focused on expanding these operations with AUD103 million spent in the current financial year and approximately AUD400 million committed through to 2013.

Other capital investment in the first half includes AUD22 million in respect of bulk rail contract to Queensland which is due to commence in the second half and AUD24 million spent on remaining intermodal rolling stock fleets.

Now quickly touching on business improvement programs, we remain committed to building on the AUD100 million of cost savings and revenue enhancements achieved as part of the efficiency plan completed last financial year. I'm pleased to report to that the first half business improvement initiatives yielded approximately AUD20 million of savings in the first half and we are well on our way to achieving our target of AUD40 million by the end of this fiscal year. The program is focused on maximizing the returns from both container ports and intermodal which are the two divisions most exposed to the flat retail demand currently being experienced.

Net debt closed the half at AUD2.4 billion, down AUD142 million or 5.7% into June 30 of 2010. As a result of the ongoing strong cash conversion from our businesses, assisted by lower net interest costs and less than anticipated capital expenditure.

With gross debt virtually unchanged over the last year of AUD2.7 billion, the improvement in net debt was reflected in the high cash on hand on 31 December and was up some AUD123 million to AUD338 million.

During the half year we made a successful and substantial start to the refinancing of our bank facilities that mature in May in 2012. With the issuance of $1 billion in the 144A /Reg S market. We were delighted with the response we received from investors who were keenly interested and showed significant knowledge of our industry and this related this into strong demand with a total book on order of some AUD3 billion at the time.

As foreshadowed last year, we occurred approximately AUD23 million in swap de-designation costs at the time of the transaction. These costs plus the write-off of capitalized borrowing costs associated with the historic debt have been treated for this purpose as significant items in the period.

The bond issue achieved a number of important goals for us. It established our access to the international debt capital markets, it delivered a strong, long-term funding at attractive rates. It reduced our alliance on the bank debt market and it lengthened our maturity profile. Perhaps most significantly, it reduced the outstanding amount of bank facility that mature in May 2012 by 44% that now stand at AUD1.25 billion.

The December half year saw further improvement in our credit metrics with leverage measured as net debt divided by EBITDA of four significant items, falling 14% to 3.1 times as at the end of this half compared to 3.6 times 12 months ago. Similarly interest cover measured at EBITDA before significant items, divided by net interest expense improved. Net interest cover increased 40% to 3.5 times for the 12 months to December 2010. This compares to 2.5 times for the 12 months through to December 2009.

At 31 December we had AUD885 million committed, available liquidity which comprised of the AUD338 million of cash on hand and AUD547 million committed, undrawn limits. These undrawn limits mature in December of 2013. We are confident that the combination of cash generated from our businesses and the available liquidity will be sufficient to fund our capital expenditure and dividends consisted with our stated payout guidance whilst continuing to improve credit metrics.

Finally, as I mentioned earlier, we are well advanced on our implementation of our medium debt strategy. Our debut bond issue in September was an important step in delivering a longer term maturity profile without the concentrations in individual years that we have experienced historically.

We are actively considering our options for the refinancing of the remainder AUD1.2 billion which is due in May 2012 and are confident we will be able to complete the task in a proactive but measured manner.

Naturally further issuance remain subject to market conditions but we are looking at our refinancing options and will continue to target longer term, diversified, flexible and most importantly, cost effective funding.

I'll now hand you back to John who'll conclude the formal presentation and this morning's session.

John Mullen - ***Asciano - CEO***

Thanks Angus. So to wrap up; Asciano has made a significant transformation since the capital raising in June 2009. A number of key developments have repositioned the company in the marketplace and have set Asciano up for considerable growth going forward.

There are a few key areas that I'd like to run through with you now that will highlight this continuing transformation. Firstly safety; safety is paramount in a company that deals with heavy machinery, complicated physical operations. There is a clear requirement from the Board that the company's safety performance must improve year on year.

All divisions have commenced executing Asciano's safety improvement plan which consists of four pillars. Safety leadership and building capacity, standardized management systems, risk management and process capability and employee engagements. The plan's ultimate objective is to ensure that everyone returns home safely, every day.

Now people, of course, drive the business and leadership is an important part of driving change. Asciano has improved its leadership capabilities significantly with the appointment of a new Non-Executive Director on the Board, Shirley In't Veld, a new Chief Financial Officer, Angus who you've just heard from. A new Director of Corporate Development, Mark Irwin and a new Chief Information Officer, Kelvin McGrath. I believe Asciano has a strong management team and is now very well resourced to take the company forward.

Sustainability is another focus of the company and although still in its infancy in Asciano, it will become a pretty important part of how we do business going forward. We're currently focusing on developing sustainability benchmarks. We're initially targeting three categories; safety and health, environment, energy and climate change and community.

So if I could turn now to growth opportunities, this is an exciting company and Asciano has significant growth potential. The most obvious of this being in the coal business. We will continue to look at capturing further volumes in the growing Queensland and New South Wales coal haulage markets.

Our objective is to build on the 49 million tonnes contracted today to Queensland and maintain our leadership position in New South Wales. Importantly, we will continue to focus on maintaining the positive return characteristics of this business by securing volumes at benchmark returns.

The PN Rail business also has a list of potential growth opportunities particularly in the non-coal, bulk haulage markets. The demand for bulk haulage services is high both in Western Australia and in Queensland. The Patrick Division too will look to increase its market share. A key factor in achieving this will be through delivering a superior service offering. Gaining additional share and volume along with delivering on their business improvement program objectives is expected to improve returns in the business.

We move then to outlook; to the future. The overall outlook for the business remains very sound. However we are cautious about the underlying economic climate in Australia. Our links to the resources sector are a very positive influence on our business, of course tempered by current climatic conditions. But equally our links to retail and consumer sectors currently indicate a more subdued environment with the non-resources link part of our business.

At a divisional level, if we look at the outlook for each division, the coal business will continue to grow. However weather impacts in Queensland are expected to continue through to about March of this year. The congestion in Hunter Valley is also expected to continue until rail infrastructure investment is completed. Increased cycle times in New South Wales and continuing wet weather conditions and speed restrictions in Queensland will also continue to impact margins in the second half of this year.

In the intermodal division, express volumes are expected to remain strong in the second half. However the super freighter market is expected to continued to be subdued and to perform in line with constrained consumer sentiments.

Steel volumes should continue to be flat due to the local demand being lower for domestic steel resulting from a high Australian Dollar. Container import volumes may be impacted by continuing softness in retail demand and the impact of the high Australian Dollar and Queensland floods on containerized exports. However, the Six Sigma program will continue to be rolled out across the operations with the division continuing its focus on cost savings and customer services levels in the second half.

The outlook for the former auto bulk and general division will vary across its individual business components. Volumes in bulk ports and general stevedoring will continue to reflect mixed demand from agricultural and industrial markets which will continue to be impacted by the Dollar and Queensland weather conditions.

Motor vehicle processing, storage and transportation within autocare is expected to remain stable while the haulage of expert wheat is expected to be strong in the second half. Predominantly due to the strong grain harvest and robust world demand.

So as you're aware, I've only been in my new role for some 10 days now. But I believe that the company has a very strong future, offers great opportunities for continued growth and improved returns and has a strong management team. It will be our job now to build upon the strategies and progress already achieved to take the company to its next level of performance.

The key deliverables for the next six months are to continue to roll out our safety improvement plans and customer service focus across all divisions. Continue to deliver earnings growth, continue to attract new business in all divisions, drive (inaudible) improvement, regress the execution of our medium term debt strategy and deliver on our business improvement targets.

So that concludes the presentation and I'll now hand back to Marie to open up to questions. As you can see, somewhat unusually maybe, we've got our three divisional leaders here with us on stage. We feel it important to give you direct access to the critically important divisional management that's responsible for driving much of our future.

Marie Festa - ***Asciano - General Manager Investor Relations***

Thanks John. Questions will be taken from the people in the room first and then those who have dialed in. I'll now ask the people in the room who'd like to ask a question to raise their hand. Please state your name, where you are from and who you are directing your question to. I ask that you ask one question at a time to ensure that we allow everyone the opportunity to ask a question.

QUESTION AND ANSWER

Ian Myles - ***Macquarie Securities - Analyst***

G'day, Ian Myles from Macquarie. David Irwin, can you just quantify the derailment impact, the congestion in the New South Wales system and the flooding impact into sort of individual items within your business? Because I would have thought you might have done a bit better except for those items.

David Irwin - ***Asciano Limited - Director of Coal***

Morning Ian. Let me deal with those in order. Firstly derailments; we've had derailment incidents in the half in both Queensland and in both New South Wales. Many of those derailments actually take an extended period to determine root cause and determine commercial settlement. Clearly we account for those on the basis of our understanding of the costs of those incidents, and we're not at a point where we would disclose those because we are still in the stages of commercial negotiation with regard to settlement of those incidents.

In terms of flooding; we've highlighted in our results that the financial impact of flooding in Queensland has not been material at all. The operational complexity that's been created and the actions we've put in place to actually mitigate the impacts of floods have been quite extensive.

Beyond that in the Hunter Valley, with regard to congestion, in the half we actually saw a combination of two elements which created almost a double-whammy. The first of those is that the weather impacts in the Hunter Valley were principally felt in the Gunnedah Basin where we move all of the coal, and coal availability for that long haul coal was limited for a reasonable period in the half.

As well as that the Ulan line, which is the other long haul area, had underground mines with long haul issues which also created a lack of coal for haulage which created a concentration of trains in the Central Hunter Valley, which, by its nature, creates more congestion.

We're seeing some reduction in those impacts as we've moved into this half, but we still have a scenario where Gunnedah Basin producers are building their coal availability and there are still some new land line mines that are restricted and have claimed force majeure against their customers as a result of their inability to provide coal.

The other thing worth highlighting, with regard to the Hunter Valley, is that our contractual protections in the first half are not as good as the contractual protections we have going forward from January as a result of the renegotiation of a number of agreements.

Shavarsh Bedrossian

Hello, Shavarsh from Citi, another one for you David. Just in terms of the split looking at the revenue and the revenue growth that's driven by volumes suggests quite a big pricing increase. Can you give us an idea of how much of that pricing is driven by increase in pass through versus what you - you know traditional pricing increases driven by you guys?

David Irwin - *Asciano Limited - Director of Coal*

In both Queensland and New South Wales there has been some increase in the per ton access charges as a result of increased capital expenditure in track. That has been reasonably proportional to the increase in our non pass through pricing elements as well.

Shavarsh Bedrossian

In terms of fuel?

David Irwin - *Asciano Limited - Director of Coal*

Fuel is in much a similar point as access.

Scott Ryall - *CLSA Australia - Analyst*

Hi, Scott Ryall from CLSA. A question for John. Post - you know admittedly you've only been on for 10 days, as you say, and there is much speculation as to potential structural changes within the organisation. I was wondering if you could step through your thoughts with regards to - you know what would the process be in terms of the Company making up its mind whether or not all the businesses that you've got currently remain core.

John Mullen - *Asciano - CEO*

Okay, well obviously after 10 days my first priority is to understand all the businesses. To work with the team here, to understand what the maximum potential returns are from all of the businesses.

I know the press has pulled out ports, but you know I point out that none of our divisions, at the moment, are delivering an adequate return on capital, so we've got work to do across the whole business.

I think as part of a measured process over the coming weeks we will go through the strategic plan, that's being finalised at the moment. We will go through all of the improvement programs that we believe are possible, and from that we will satisfy ourselves as to what returns we think we can ultimately aim at and put a plan in progress for that.

I mean obviously, in the long term, if a part of the business doesn't achieve the desired return then you have to do something with it structurally. But our first step is to take each of them as critically important parts of the business and see how we can continue to improve our performance there from.

Ian Myles *- Macquarie Securities - Analyst*

John, when you did - it's Ian Myles from Macquarie - when you did your due diligence to join the Company what did you see as the operating upside in this Company?

Because you talk about the return on capital being inadequate, where do you identify from your experience as a transport logistics expert see those opportunities and also what sort of realistic horizon do you actually think that you can actually achieve those sort of goals, if they're going to fit the criteria?

John Mullen *- Asciano - CEO*

Yes well, obviously you know the logistics industry, in inverted commas, covers a really broad range of activities from virtually zero capital involvement in the forwarding industry; it means you've got a you know a pot plant and a coffee machine and that's it. All the way through to very, very heavily asset based businesses. We're clearly in the latter category. So you know I've yet to fully understand with my colleagues here the differences and the theoretical levels of achievement that we can get to.

You referred to the due diligence before joining; the thing that's very exciting about this business is that it does have a unique set of assets. It does operate in a sector where I can only see growth. Now I think it's going to be a long time before you can move coal by the internet, so it's a fundamental part of the fabric and the infrastructure of Australia. So I think it has a very good long term growth potential.

Of course all of its core businesses imports, you know we're an importing nation. Outside the resources sector there will continue to be demand, in the future, for moving containers across our wharves and our agricultural exports would indicate that there's a good future for bulk rail and all these other activities as well. So I don't see any segment as being in a dying business or a challenging the business from that perspective.

Obviously business is tough in every sector these days, and we're not going to achieve miracles overnight. But I think the last part of your question the timeframe I don't see this as a five or 10 year program, obviously every business hopefully improves incrementally every year. But I think our goal, as a management team, is to try and make material change in the next two or three years, not in the next five to 10.

Andrew Chambers *- Austock Securities - Analyst*

Good day, Andrew Chambers from Austock Securities. I just have a question around maintenance Capex. In the half the Australian Capex spend dropped off, is that timing, structural and is there any linkage with the derailment and the reduced spending in maintenance?

John Mullen *- Asciano - CEO*

I'll ask Angus to answer that one.

Angus McKay *- Asciano - CFO*

Yeah, it probably was a bit more timing in nature. We've done a fair - prior to me joining the team they'd already done a fair bit of work around how we, I suppose, contest Capex into the Group and that's a fairly well and robust process [laughs] I have to say.

So what you're seeing as Capex both across growth and maintenance, if you like in half one, you'll see some different dynamics in half two. So, yeah, timing.

Operator

Your next question comes from the line of Simon Mitchell from UBS, please ask your question.

Simon Mitchell - ***UBS - Analyst***

Hi, question for Paul Garaty. Just noting actually volumes were down about 4% in the December quarter, versus market growth of I think around 3% to 4%, recognising obviously the OVSA impact for the earlier part of that quarter. Where do you sort of see yourself in terms of offering a competitive offering and what are your expectations in the second half as to market share, given that?

Paul Garaty - ***Asciano Group – Patrick Divisional GM***

Morning Simon. Look I think the numbers in December reflect the contracts that we have. So you know how they fall in terms of who has the trade and the strength of the various origin destinations is reflected in the trade we have.

What we've concentrated on, since the loss of the OVSA in the previous year, is improving our service levels and making sure that we're performing on our coastal window performance, so that as contracts come up that we actually are in a good position to win those contracts and that will change market share.

We don't see a great change in market share on the sort of consortia's, on a month by month or quarter by quarter basis, it's really depending on the origin destination and how strong the market is, in both the imports and the exports, and we definitely overall, within the market, saw a softening in quarter two from quarter one.

Simon Mitchell - ***UBS - Analyst***

Thanks.

Operator

Your next question comes from the line of Matt Crowe from Commonwealth Bank, please ask your question.

Matt Crowe - ***Commonwealth Bank - Analyst***

Good morning, this is a question for Angus. You had about AUD50 million in asset sales; land and a few other things, was there any profit on those that contributed to the numbers that you talked to us about today?

Angus McKay - ***Asciano - CFO***

Our profits from those sort of things were around about AUD6 million for the half.

Matt Crowe - ***Commonwealth Bank - Analyst***

Okay, thanks.

Operator

Your next question comes from the line of Cameron McDonald of Deutsche Bank, please ask your question.

Cameron McDonald - ***Deutsche Bank - Analyst***

Hello, good morning guys, just a question on guidance for the full year. Other than giving some outlook statements I just wanted to get your view on analyst consensus at around 554 million, I think, at the EBIT level.

Angus McKay - ***Asciano - CFO***

It's Angus here. Look we remain comfortable, I suppose, with that general consensus. I mean, very plainly, if we had an issue with it we would be making some other statements. So right now we are comfortable.

I would note that consensus has been, I suppose, slowly decreasing over the last probably two months. So you know the numbers you just described we remain comfortable.

Operator

Your next question comes from the line of Anthony Moulder from Credit Suisse, please ask your question.

Anthony Moulder - ***Credit Suisse - Analyst***

Good morning all. Just following on from Simon's question, a question back to Paul; how confident are you of delivering superior service offering while still taking costs out of the business?

Paul Garaty - ***Asciano Group – Patrick Divisional GM***

Look, I think we've demonstrated in the first half that we've done that quite well and that's certainly -we believe we can continue to do that. Our service levels on the key side have improved significantly. It's a key focus in our business that how we measure our performance and I think there's a greater awareness in terms of our cost base and where we can trim

We have some very good initiatives within the business that we intend to roll out in the coming months and years in improving our cost base. I think that's very important within the market we're in. That is a key focus of our strategy going forward over the next four or five years in making some real structural change within this business.

Anthony Moulder - ***Credit Suisse - Analyst***

So still yet see a benefit coming through as far as the market challenge, you would (inaudible) over the next 12 months?

Paul Garaty - ***Asciano Group – Patrick Divisional GM***

As I said, the market isn't contested on a day by day or week by week basis. We have to wait until contracts come within the market. We're working very closely with a number of people that we service today and that we don't service today in terms of showing them the benefits of working with Patrick. We don't take anything for granted. We'll continue to do that, but that's our objective. Absolutely that's our objective is to increase market share. Volume is important in this business, as you well know.

Anthony Moulder - ***Credit Suisse - Analyst***

Thank you.

Anoop Kalra – Ellerston Capital

Could you please give a bit more of a breakdown of the non-cash items that flow through the AUD60 million?

Angus McKay *- Asciano - CFO*

Look, very happy to take you and give you a more detailed piece of (inaudible) but the single largest non-cash item is really around derivative movements, fair value adjustments, which were reasonably significant in the half. There were the (inaudible) adjustments, specifically around worker's compensation and annual leave provisions. They would probably be the two major movements that are within that number.

Operator

Your next question comes from the line of Jonathan Collett from Goldman Sachs. Please ask your question.

Jonathan Collett *- Goldman Sachs - Analyst*

Hi, guys. I was just wondering if there's been any update to the FY11 CapEx guidance. There's AUD790 million just in context - obviously fairly low first half spend.

Angus McKay *- Asciano - CFO*

Do you mind just repeating that? I think I caught half of that. I think it's about FY11 CapEx guidance.

Jonathan Collett *- Goldman Sachs - Analyst*

Yeah, there was CapEx guidance out there for FY11, AUD790 million. I just wondered if there was any update to that figure given the first half was obviously a lot lower than what you would expect.

Angus McKay *- Asciano - CFO*

Yeah, to be honest with you I'm going to take the fifth (inaudible) that one. Obviously with the work we're doing around our strat plan, F11 CapEx or something that we're now getting down to a more finite level on. So I can't really confirm that or otherwise. That was the number that was put out. I'm just briefly scanning Marie. We haven't given guidance from CapEx in F11, have we? No. So I think that's something we'll come back to as we get close to the end of the fiscal year and give you a better visibility based on I suppose business plans that come out of the strat planning process.

Jonathan Collett *- Goldman Sachs - Analyst*

Okay, thanks.

Operator

Your next question comes from the line of Chris Viol from UBS. Please ask your question.

Chris Viol *- UBS - Analyst*

Yeah, thanks very much. In terms of the AUD1.25 billion of bank debt maturing in 2012, you made some comments on that. Just to try and elaborate, is your preference to make sure the refinancings over 2011 and if so, any preferences for which market you'll access at this point?

Angus McKay - ***Asciano - CFO***

Look, clearly we haven't preferenced what we want. Obviously we move very quickly on eliminating that, if you like, as a large number that's due in just on a year's time. In terms of markets, we're just doing that evaluation as we speak. As you know probably better than I, markets are moving reasonably rapidly at the moment. So we haven't actually come to a definitive view on where we will move and how, nor within which particular sector within the market. So I suppose that's a long way of saying that right now, we're keeping our powder dry. But it is one of my top priorities over this half.

Chris Viol - ***UBS - Analyst***

Okay, thanks very much.

Scott Ryall - ***CLSA Australia - Analyst***

Okay, looks like me. Scott Ryall from CLSA again. I was wondering, [Paul], if you could give us an update on the bargaining process both at the bulk and the container port site.

Paul Garaty - ***Asciano Group – Patrick Divisional GM***

Yes, we're in EA negotiations both in our container terminals and our bulk in general. You've probably seen some media reports on the bulk in general. We've made an offer in that area. Look, I think it's fair to say that where we're coming from in those negotiations is we see these as pretty important negotiations.

We think that there's three things that we're looking for in this outcome. I think a fair and equitable outcome for our employees, offsets for those outcomes from the company's point of view and also an improvement in terms of our customer outcomes in those negotiations. That's the way that we're approaching those negotiations at this point in time.

Angus McKay - ***Asciano - CFO***

Similarly within containers, we're in discussions and we're approaching that in a similar way. We're looking for any weight increases that we ultimately (inaudible) those areas but having appropriate offsets both for the business and also for customer improvement. Both areas.

Operator

I think that concludes the questions. So thank you everyone for joining us and have a good day.

John Mullen - ***Asciano - CEO***

Thank you very much.

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