



## ASX RELEASE

Date: November 10<sup>th</sup> 2011

### FY12 September Quarter Update

#### Pacific National Coal

	3 Months Ended:			3 Months Ended:		
	Sept. '10	Sept. '11	% Chg	June '11	Sept '11	%Chg
<b>Pacific National Coal</b>						
Net Tonne Kms (m)	5,344	4,889	(9)	4,592	4,889	6

#### Comments

- Volumes compared to the previous corresponding period (pcp) were down 9% in the first quarter impacted by:
  - Industry export volumes in Queensland down ~15%
  - The loss of Peabody volume and contracted X-Rail rolling stock operation
  - Port Kembla Coal Terminal availability
  - Coal availability for a number of customers in the Hunter Valley
  - Derailments in South Australia impacting volumes at Flinders
  - Ongoing congestion in the Hunter Valley
- Despite the decline in NTK's for the quarter, total revenue increased 14% (net of total access fees) on pcp reflecting the revised terms of a number of contracts during FY11 and the protection of 'take or pay contracts'.
- The ramp up in the Queensland business continues in preparation for the 1 January 2012 Anglo and Middlemount start ups
- Nebo and Greta construction continues in line with plan

#### Pacific National Rail

	3 Months Ended:			3 Months Ended:		
	Sept. '10	Sept. '11	% Chg	June '11	Sept '11	%Chg
<b>Pacific National Rail</b>						
PN Intermodal NTKs (m)	5,715	5,768	1	5,512	5,768	5
Bulk Rail NTKs (m)	882	1,298	47	1,248	1,298	4
<b>Total PN Rail NTKs (m)</b>	<b>6,597</b>	<b>7,066</b>	<b>7</b>	<b>6,760</b>	<b>7,066</b>	<b>5</b>

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## Comments

- Intermodal NTK's benefitted from the commencement of Fosters volumes secured by Toll and Linfox in mid August 2011. Forwarders volumes generally remain subdued
- Express volumes continue to grow and were up strongly against pcp
- Steel volumes remain soft against pcp, reflecting current market conditions
- Stronger export grain volumes for the quarter, was the main driver of increased Bulk Rail NTK's against pcp. Expect export volumes to remain at high levels for the full year
- Bulk Rail NTK's benefitted from the Xstrata magnetite contract against pcp. A second Xstrata rail service commenced in August 2011

## Patrick

	3 Months Ended:			3 Months Ended:		
	Sept. '10	Sept. '11	% Chg	June '11	Sept '11	% Chg
<b>Patrick</b>						
Container Lifts ('000)	463	498	8	423	498	18
Vessels Stevedored	536	391	(27)	378	391	3
Vehicle Movements ('000)	250	245	(2)	223	245	10
Vehicle Storage Days ('000)	2,673	2,561	(4)	2,842	2,561	(10)

## Comments

- Container lifts increased over the period reflecting the commencement of new contracts including the expanded Maersk services
- Adverse weather in Sydney coupled with industrial action impacts at Port Botany impacted on the Terminals business in the first quarter
- The decline in vessels stevedored on the prior year reflects the impact of the exit of underperforming businesses. Volumes improved in the quarter reflecting higher vehicle arrivals and an increase in bulk volumes
- Vehicle arrivals continue to recover following the natural disaster in Japan. Storage volumes however have yet to fully recover from the disruption in supply
- MUA industrial action fiscal year to date has cost the company close to \$10m

## Outlook

Managing Director and CEO of Asciano John Mullen said "We are pleased with the performance of the business over the first quarter of FY12 given the ongoing impact of a number of negative external factors on our three divisions. The first quarter saw the successful commencement of a number of new contracts or renegotiated contracts across all three divisions, the benefits of which have flowed through to the business immediately.

"The disruption to the Patrick business and therefore our customers, as a result of our wage negotiations with the MUA has been one of our biggest issues over the last nine months. We are extremely pleased to have reached an agreement with the MUA on the wage negotiations for our container terminals business which should see an end to industrial activity and a lift in

productivity and customer service levels at our container terminals across Australia.

“Current global economic conditions are difficult and unpredictable at the present time and while Australia is better placed than many countries, activity levels remain inextricably linked to global influences. While our businesses have continued to perform well against this uncertain backdrop Asciano will not be immune if there is a dramatic fall in economic activity in Australia. We are therefore not going to give specific guidance for FY12 at this time.

“While not giving specific guidance, we do however feel comfortable stating that, barring unforeseen events or a further significant deterioration in economic conditions, Asciano will report another solid year of growth in both revenues and earnings across all three divisions.

“The growth reported in Patrick will be dependent upon satisfactorily concluding and documenting our agreement with the MUA announced yesterday and no further impact from customer losses or increased operating costs in that business as a result of the industrial activity to-date” Mr Mullen concluded.

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