

MEDIA RELEASE

Wednesday, 26 August 2009

ANNUAL RESULTS FOR THE YEAR TO JUNE 2009 “SOLID RESULTS IN A CHALLENGING ENVIRONMENT”

Asciano Group (Asciano), comprising Asciano Limited and Asciano Finance Trust, has today reported its results for the year ended 30 June 2009.

Total Revenue was unchanged at \$2,810m for the period, whilst earnings before interest, tax depreciation and amortisation (EBITDA) before significant items increased by 3.2% to \$655.2m.*

Commenting on the results, Asciano Chief Executive Officer and Managing Director, Mark Rowsthorn, said: “The increase in underlying EBITDA was achieved despite a very challenging environment, which saw volumes across a number of our businesses weaken during the second half. The solid result is a testament to the diversity of our business base, with our bulk businesses continuing to perform well, and to the quality of our assets and operations. It is also a reflection of our rigorous focus on cost management during the year.”

Divisional highlights for the year were as follows:

- Pacific National Coal achieved a 14.3% increase in revenue to \$527.5m, primarily driven by an 8.4% increase in Net Tonne Kilometres (NTKs). In addition, the division benefitted from price increases on certain services and operational efficiency improvements. This led to a 16.7% improvement in EBITDA to \$147.4m, plus an improvement in EBITDA margins.
- Pacific National Intermodal experienced weakness in volumes for both containerised freight and steel. Total NTKs, excluding the Tasmanian operations, declined 13% for the year, resulting in a reduction in revenue of 3.6% to \$885.4m. Notwithstanding this revenue weakness, EBITDA increased 6.4% to \$189.3m as a result of an active cost management campaign and a focus on optimising capacity utilisation.
- Total container lifts for the Patrick Container Ports division declined by 4.0% for the full year, with volumes falling more than 10% in the second half of the period. Coupled with a slight reduction in revenue per lift, reflecting a higher proportion of transshipment lifts, this resulted in a decline in divisional revenue of 4.2% to \$743.9m. This division also experienced a contraction in margins due to continued growth in unit labour costs, together with continued strength in volumes in Sydney relative to Melbourne, resulting in a decline in EBITDA of 11.3% to \$217.4m.
- Patrick Auto, Bulk & General experienced overall EBITDA growth of 34.5% for the period to \$126.0m, on the back of 4.5% revenue growth to \$696.5m. This strong performance primarily reflects a continued significant improvement in Grain EBITDA reflecting both

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improved volumes and the full-year benefit of the restructured contractual arrangements. This EBITDA growth, together with an improved contribution from the bulk ports and general stevedoring businesses, offset a decline in EBITDA from Autocare, reflecting a significant reduction in vehicle movements.

Depreciation and amortisation charges were \$28.6m higher than the previous year, reflecting the increased asset base resulting from the commissioning of the Rail Mounted Gantries at Port Botany during the year, together with recent investments in additional Hunter Valley rolling stock for the Coal business. Net interest cost declined by \$19.2m to \$356.9m reflecting lower underlying interest rates during the year.

Asciano also announced that it had incurred impairment charges against the value of its investment in Patrick Autocare and the value of its software investments in the Patrick businesses of \$142.6m and \$63.0m respectively for the full year. These charges, which have no impact on cashflow, reflect expectations of a continued difficult operating environment in the motor vehicle industry in Australia, together with a conservative reassessment of the likely pace and extent of the rollout of Autostrad® technology to additional sites, respectively. Other significant items included the previously announced impairment charge against Asciano's Pacific National Tasmania business, together with costs associated with Asciano's efficiency review program.

Including significant items, Asciano's Net Loss before Tax for the year was \$217.6m, in line with the \$206.4m loss incurred in the previous corresponding period.

In respect of the outlook for Asciano, Mr Rowsthorn said, "Looking forward to 2009/10, Asciano continues to take a prudent approach and plans for a continued difficult operating environment. Whilst there are signs that a number of our businesses have seen volumes stabilise following significant weakness during the March quarter, there remain few, if any, signs of an imminent recovery in the domestic and international economies."

Through the coming 12 months, Asciano management will focus on delivering three strategic objectives:

- Completion of the restructuring of Asciano's balance sheet, with an objective of removing all remaining refinancing risk for 2009/10. This is expected to be achieved in the first half of the 2010 financial year;
- Continued investment in, and successful establishment of, the Queensland Coal business. The implementation of this new business remains ahead of schedule; and
- Continued focus on cost reduction and efficiency gains. Asciano has identified around \$95m in structural efficiency gains to be implemented by the 2010/11 financial year and remains on track to achieve this outcome.

* All figures for the year to June 2008 in this document refer to the 52 week period. The comparative figures in Asciano's 2009 4E financial report refer to the 54 week period from 15 June 2007 to 30 June 2008. 3.2% EBITDA growth excludes significant items and contribution from Brambles investment in 2007/08.

The Full Year Results will be webcast on www.asciano.com on Wednesday, 26 August 2009 at 9.30am AEST.

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2008/09 FULL YEAR RESULTS PRESENTATION

26 August 2009

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Overview

- **Solid Performance in a Challenging Environment**
- EBITDA up 3.2%*
- Continued strength in bulk volumes (coal/grain/bulk ports) offsetting weaker non-bulk volumes (containers/steel/cars)
- Some stability returned during June quarter following weak March quarter, but no signs yet of sustained recovery



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DIVISIONAL PERFORMANCE



PACIFIC NATIONAL COAL

	Year to June 09	Year to June 08	Change
Coal NTKs (m)	13,786	12,721	+8.4%
Revenue (m)	\$527.5	\$461.4	+14.3%
EBITDA (m)	\$147.4	\$126.3	+16.7%



- Continued solid volume growth, with 6% increase in Hunter Valley export tonnes and slight increase in average haul length
- Additional revenue benefits from improved pricing and timing of fuel recoveries
- Continued roll out of new 92 class locomotives in Hunter Valley, replacing older locomotives
- Queensland coal project ahead of schedule, 4 trains already operational
- Queensland contracts with Xstrata Coal, Rio Tinto Coal, Macarthur Coal and Anglo Coal executed
- Revised contractual arrangements with Xstrata Coal in Hunter Valley executed

PACIFIC NATIONAL - INTERMODAL

	Year to June 09	Year to June 08	Change
Intermodal NTKs (m) (excl. Tasmania)	22,541	25,913	-13.0%
Revenue (m)	\$885.4	\$918.5	-3.6%
EBITDA (m)	\$189.3	\$177.9	+6.4%



- Steel volumes continued to weaken during June quarter, with current monthly volumes running at approximately 50% of 2008 levels
- Containerised freight volumes have continued to slow through the June half
- Express service performed well for the year (volumes up 15%)
- Revenue decline limited by price increases during prior year
- Strong focus on cost containment and capacity utilisation reflected in EBITDA growth
- Long term exclusive contract signed with K&S Freighters (5+5+5 year term)

PATRICK – CONTAINER PORTS

	Year to June 09	Year to June 08	Change
Container Lifts ('000)	1,869	1,946	-4.0%
Revenue (m)	\$743.9	\$776.8	-4.2%
EBITDA (m)	\$217.4	\$245.2	-11.3%



- Volumes weakened further during June quarter, although slower rate of decline than experienced during March quarter
- Trend in volumes towards Sydney has continued through June half. Full year change in lifts:
 - Sydney +5.2%
 - Melbourne -13.1%
 - Brisbane -1.9%
 - Fremantle -5.3%
- EBITDA impacted by:
 - Increased proportion of transshipments in Sydney
 - Labour cost increases
 - Lower margins in Sydney relative to Melbourne
- Cost reduction benefits expected to flow through in 2010 financial year

PATRICK – AUTO, BULK & GENERAL

	Year to June 09	Year to June 08	Change
Autocare:			
Vehicle Movements ('000)	977	1,196	-18.3%
Vehicle Storage Days ('000)	16,627	12,713	+30.8%
Bulk/General Tonnes ('000)	25,684	20,995	+22.3%
Grain/Industrial NTKs (m)	3,570	2,778	+28.5%
Revenue (m)	\$696.5	\$666.5	+4.5%
EBITDA (m)	\$126.0	\$93.7	+34.5%

- EBITDA growth driven by continued strength in grain rail volumes and revised contractual arrangements relative to last year and improved cost management
- Autocare transport volumes down by 18%. EBITDA down significantly due to continued weakness in new car sales – storage levels down significantly since December 2008 peak
- Bulk and general stevedoring volumes generally stronger, with improved agricultural volumes (grain, timber, livestock) offsetting weaker steel volumes



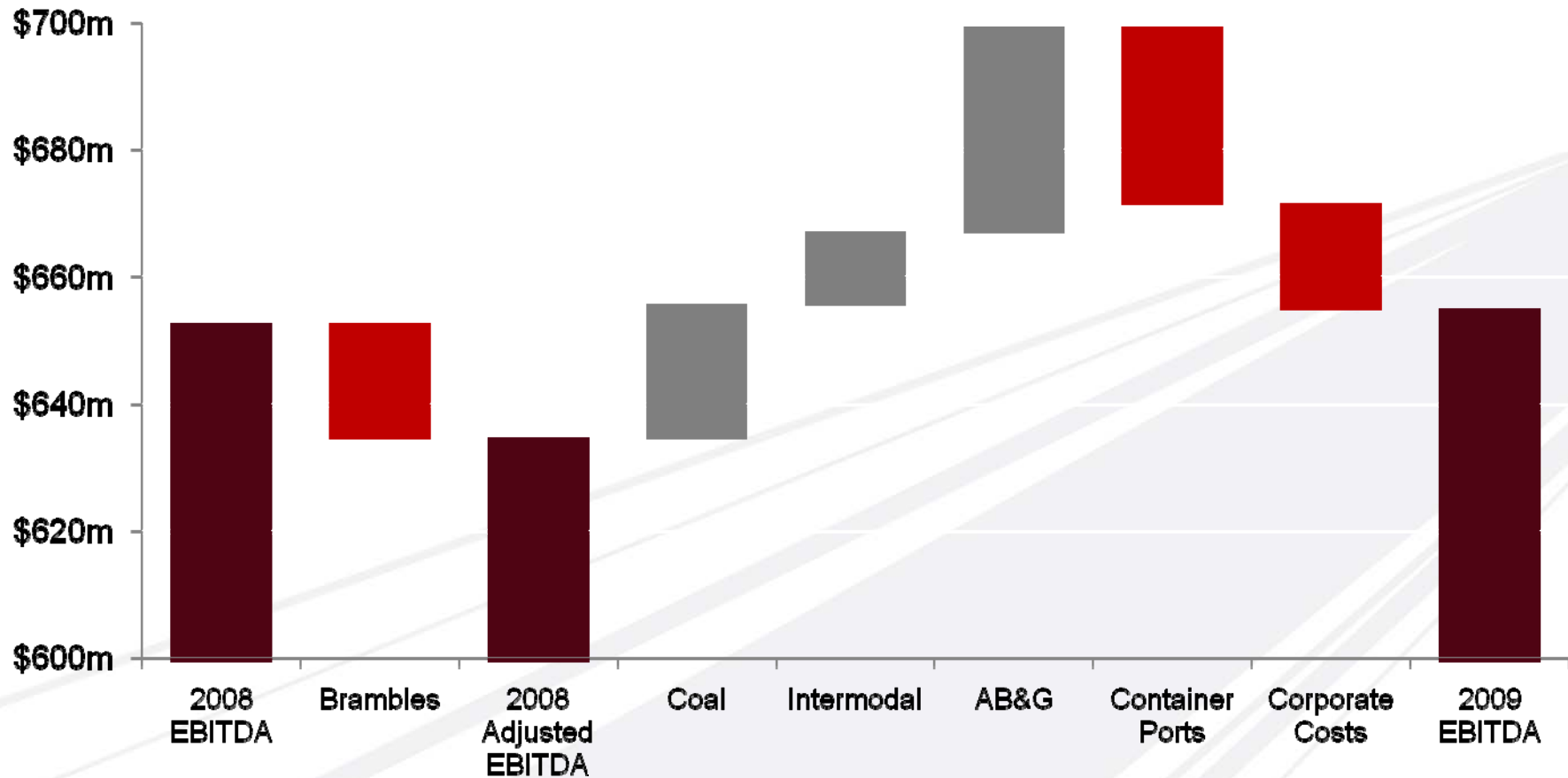
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SUMMARY FINANCIAL INFORMATION



EBITDA CONTRIBUTION



SUMMARY PROFIT & LOSS

	Year to June 2009	Year to June 2008*	Change
Divisional EBITDA	\$680.1m	\$643.1m	+5.8%
Corporate/Other EBITDA	(\$24.9m)	(\$8.4m)	
EBITDA before Brambles/Significant Items	\$655.2m	\$634.7m	+3.2%
Depreciation	(\$198.7m)	(\$170.1m)	+16.8%
Amortisation	(\$74.2m)	(\$74.2m)	-
EBIT before Brambles/Significant Items	\$382.3m	\$390.4m	-2.0%
Brambles Dividends	-	\$18.1m	
EBIT before Significant Items	\$382.3m	\$408.5m	-6.4%
Net Interest & Associated Costs	(\$356.9m)	(\$376.1m)	-5.1%
Profit before Significant Items and Tax	\$25.4m	\$32.4m	-21.6%
Significant Items before Tax	(\$243.0m)	(\$238.8m)	
Net Profit/(Loss) Before Tax	(\$217.6m)	(\$206.4m)	
Tax benefit/(Expense)	(\$26.5m)	\$25.0m	
Net Profit/(Loss) After Tax	(\$244.1m)	(\$181.5m)	

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SIGNIFICANT ITEMS

SIGNIFICANT ITEMS 2008/2009

Impairment Charge – Autocare	(\$142.6m)	<ul style="list-style-type: none"> Revised assessment of carrying value given weak operating environment. \$59.8m charge taken in second-half, in addition to \$82.8m first-half charge
Impairment Charge – Container Ports Software	(\$63.0m)	<ul style="list-style-type: none"> Reflects revised assessment of likely roll-out of Autostrads® to additional sites given current economic conditions
Impairment Charge – PN Tasmania	(\$10.1m)	<ul style="list-style-type: none"> Revised assessment of carrying value given sale process undertaken during December half-year
Efficiency Review – Redundancy Costs	(\$34.1m)	<ul style="list-style-type: none"> Planned costs associated with embedding lower cost structure
Write-back of Rolling Stock	\$6.8m	<ul style="list-style-type: none"> Additional rolling stock deployed in grain volumes given significant increase in volumes, partly offset by write-down of certain industrial freight assets
TOTAL	(\$243.0m)	

CAPITAL EXPENDITURE



CAPITAL EXPENDITURE 2008/2009

Queensland Coal	\$198.4m
Fisherman Islands Berth 10	\$86.0m
Hunter Valley Rolling Stock	\$43.6m
Autocare Port Kembla	\$14.7m
Other Growth Capex	<u>\$46.7m</u>
Total Growth Capex	\$389.4m
Total Maintenance Capex*	<u>\$98.6m</u>
Total Capex	\$488.0m

* Low maintenance capex versus depreciation primarily reflects timing of Pacific National rolling stock refurbishment programs – significant increase in maintenance capex expected in 2009/10

BANK FACILITIES

Facility	Maturity	As at 30 June 2009	
		Drawn	Undrawn
Syndicated Term Loan	May 2010	\$2,250m	-
Syndicated Term Loan	May 2012	\$2,250m	-
Capex Facility	May 2010	<u>\$441m</u>	<u>\$109m</u>
Bank Debt Outstanding		\$4,941m	\$109m
Cash on Hand		<u>\$681m</u>	
Net Bank Debt Outstanding		<u>\$4,260m</u>	
Capital-Raising Proceeds Received July/August 2009		\$1,862m	
Pro-Forma Net Bank Debt Outstanding		<u>\$2,398m</u>	
Performance Bonds / Bank Guarantees	Nov 2009	\$127m	\$40m
Pro-Forma 30 June 2009 Net Debt/EBITDA		3.7x	
Pro-Forma 2008/09 EBITDA Interest Cover		3.5x	

OUTLOOK & KEY PRIORITIES



KEY PROJECTS UPDATE



1. Queensland Coal:

- Over 90% of initial capacity now contracted
- Rolling stock program ahead of schedule
- Four trains operational to date

2. Debt Restructuring:

- Key objective is removal of 2010 refinancing requirement
- Bank group discussions ongoing and productive
- Target completion first half 2010 financial year

3. Efficiency Review:

- Approximately \$95m efficiency gains by 2010/11
- Currently tracking to expectations

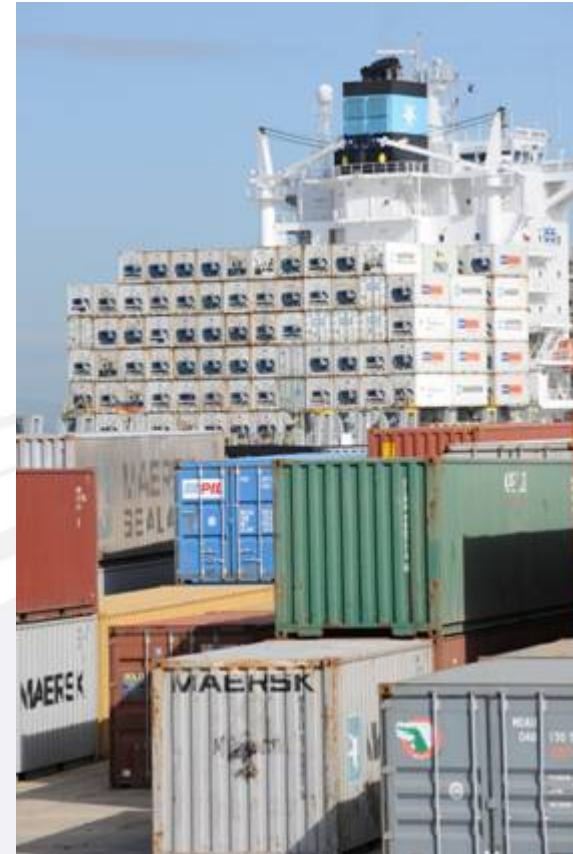
OUTLOOK

December 2009 Half:

- Bulk volumes expected to remain strong
- Continued difficult environment for non-bulk
- Soft volumes versus (buoyant) December 2008 half year
- Heavy capex program (Queensland Coal)

June 2010 Half:

- Some prospect of recovery in non-bulk volumes, particularly given recent inventory reductions
- Improved numbers versus June 2009 half year
- Reduced capex burden
- Queensland Coal contribution



QUESTIONS

