



ASX ANNOUNCEMENT

Thursday 2 May, 2013

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 2013

Attached is a copy of a presentation to be delivered by John Mullen, Chief Executive Officer, at Macquarie Australia's conference today. In accordance with the Listing Rules, this is for release to the market.

Yours faithfully

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

Fiona Mead
Company Secretary

Macquarie Australia Conference 2013



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- 1** FY13 Third Quarter Volume Update
 - 2** Update on Capital Expenditure
 - 3** Outlook
-

Pacific National Coal

- **NTKs ↑ 27.2% and tonnes ↑ 22.2% on pcp**
 - Strong contract growth in Queensland
 - Higher activity levels with contracted mines in South Eastern Australia (SEA)

- **NTKs ↑ 36.7% in Queensland and ↑ 21.8% in SEA**

- **SEA growth impacted by**
 - System constraints in the upper Hunter Valley
 - Lower demand for Southern SEA exports

- **Hunter Valley Rail Enterprise Agreement**
 - In principle agreement reached with RTBU
 - Agreement to be put to a vote of members
 - FY13 result will include \$2-3m of strike action costs

Pacific National Rail

- **NTKs Intermodal NTKs ↓ 3.4% on pcp**
 - Soft volumes across most products reflecting current market conditions
- **Steel tonnes ↑ 8.3% on pcp**
 - Increased Bluescope hot rolled coil tonnage
- **Bulk NTKs ↑ 7.1% on pcp**
 - Growth in export grain and minerals
 - Export grain volumes again tracking to forecast
 - New bulk rail contracts signed with Boral and Holcim for movement of aggregates to start Dec-13 & Jan-15
- **Continued strong focus on cost containment to offset revenue shortfalls**

Terminals & Logistics

- **Container lifts ↓ 4.1% on pcp**
 - Sydney and Fremantle negative quarter against pcp
 - Melbourne and Brisbane positive quarter against pcp
 - No contracts lost during period but CAX service closed and vessel sharing impact was negative
 - Market flat for the quarter

- **Productivity at Port Botany**
 - Continued improvement but offset by low volume
 - Gross crane rates in March record since 2003

- **Cost Reduction**
 - Very strong cost containment – cost base down on pcp
 - Some redundancies being accelerated into 4th Quarter

Bulk & Automotive Port Services

- **Vessels stevedored at bulk ports ↑27.5% on pcp**
 - Full period contribution from the Gorgon contract
 - Improved contribution from C3
 - Growth across a number of bulk ports driven by the growth in cargo for construction projects in regions including Gladstone, Adelaide and Geelong

- **Vehicle movements ↑ 20% on pcp**
 - Continued strong growth in imported vehicles
 - Strong push by importers to grow the market further

- **Storage days ↑ 78.4% on pcp**
 - Continued strong growth in imported vehicles
 - Strong push by importers to grow the market further

- **FY13 capital expenditure range reduced from \$700-800m to \$575-625m**
 - Capital constraint in line with tougher economic conditions
 - Some PN Coal and Terminals & Logistics spend re-phased into FY14
 - Decline in growth capital expenditure in PN Coal

- **FY14 capital expenditure range forecast reduced from \$800m-\$900m to \$700-800m**
 - 2014 expected to be the peak of the Company's growth capital expenditure cycle
 - Port Botany redevelopment plus significant replacement capex catch-up
 - If soft economic conditions continue into FY14 management has further flexibility to re-phase capital expenditure to more appropriately align with top line growth

- **Group Sustaining Capex is expected to be ~ \$300m from FY15 onwards**

- **All capital expenditure projects are required to meet the Company's IRR hurdles**
 - Only exception is any projects related to safety or compliance

- **Return on Capital Employed**
 - Despite the current very soft market conditions, Asciano remains focused on achieving its ROCE target of cost of capital by 2015

- **Despite the further volume deterioration in Terminals & Logistics and Intermodal Rail in 3Q FY13, Asciano still expects to report revenue and EBIT for 2H FY13 above pcp.**
 - Subject to no further changes in the economic outlook or customer commitments
- **FY13 EPS growth pre material items**
 - Expected to be 30%+ pre material items
- **Capex cycle peak in FY14**
 - Delivers the flexibility to look at optimising gearing levels, capital management options and improving returns to shareholders
- **Focus across the Group continues to be on cost control, improving business efficiency, customer focus and the core business improvement program**
- **Rigid cost control and productivity improvements, especially in Terminals & Logistics, gives significant upside from any improvement in market growth**
- **Despite the current environment, new contracts and growth opportunities continue to emerge across all divisions**

Appendix

Pacific National Coal

3 Months Ended	March '12	March '13	% chg
Net Tonne Kilometres (NTKs) (m)	4,681	5,952	27.2
Tonnes (m)	27.3	33.4	22.3

Pacific National Rail

3 Months Ended	March '12	March '13	% chg
PN Intermodal NTKs (m)	5,638	5,445	(3.4)
Bulk NTKs (m)	1,439	1,542	7.1
Total PN Rail NTKs (m)	7,077	6,987	(1.3)

Patrick – Terminals & Logistics

3 Months Ended	March '12	March '13	% chg
Container Lifts ('000)*	463	444	(4.1)

* Only relates to lifts handled at Patricks four container terminals does not include container lifts handled by the Bulk & Automotive Port Services division

Patrick – Bulk & Automotive Port Services

3 Months Ended	March '12	March '13	% chg
Vessels Stevedored	422	538	27.5
Vehicle Movements ('000)	225	270	20.0
Vehicle Storage Days ('000)	2,964	5,287	78.4

➤ **Key projects included in FY14 capital expenditure forecasts include:**

- Port Botany redevelopment in Terminals & Logistics
- Repowering of PN Rail's NR class fleet (this project extends into FY15)
- Expenditure on PN Rail's Perth and Melbourne freight terminals to meet contractual commitments
- New train sets to replace fully written down train sets and to service contract growth in PN Rail
- Expenditure at PN Coal's provisioning and maintenance facility at Nebo to meet BMA contractual obligations and planning commitments
- Expenditure on train sets in PN Coal including contractual obligations for the Rio Tinto contract commencing in November 2013 and the Bandanna Energy contract