

ASX/MEDIA RELEASE

Monday 2 May, 2011

March Quarter Operating Update

Asciano Limited (Asciano) is pleased to report its key operating statistics for the three months from 1 January 2011 to 31 March 2011.

Pacific National Coal	3 Months Ended:			3 Months Ended:		
	Mar. '11	Mar. '10	Change	Mar. '11	Dec. '10	Change
Net Tonne Kms (m)	4,126	4,418	-7%	4,126	4,224	-2%
Comments:						
<ul style="list-style-type: none"> Coal volumes were significantly impacted by adverse weather conditions in both Queensland and NSW Track congestion in the Hunter Valley supply chain also continued to materially restrict the amount of coal that could be hauled during the period Coal availability post March 2011 is expected to improve from third quarter levels 						
Pacific National Intermodal	3 Months Ended:			3 Months Ended:		
	Mar. '11	Mar. '10	Change	Mar. '11	Dec. '10	Change
Net Tonne Kms (m)	4,981	5,289	-6%	4,981	5,625	-11%
Comments:						
<ul style="list-style-type: none"> The East to West rail corridor was closed for more than 10 days during the period as a result of track flooding in WA impacting Forwarders, Steel and Express volumes Despite track closures, Express volumes were still in line with the corresponding prior year quarter Steel volumes remained flat during the quarter compared with the corresponding prior year quarter, reflecting low levels of construction activity Queensland floods and cyclone Yasi resulted in the cancellation of a significant number of Pacific National Queensland services during the period 						
Patrick Ports	3 Months Ended:			3 Months Ended:		
	Mar. '11	Mar. '10	Change	Mar. '11	Dec. '10	Change
Container Lifts ('000)	400	435	-8%	400	472	-15%
Comments:						
<ul style="list-style-type: none"> Container volumes across three of the four ports were lower than the previous corresponding period There was a decline in import volumes during the period reflecting lower retail spending which resulted in vessel consolidation and the cancellation of a number of services Volumes were impacted by the Queensland floods with vessels bypassing Brisbane and lower exports moving out of Queensland Exports out of Fremantle were impacted by drought conditions in Western Australia The impact of changes to consortia post the corresponding prior year quarter continues to have an impact on comparative volumes 						

MELBOURNE

Level 6/380 St Kilda Road,
Melbourne VIC 3004 Australia
Telephone: +61 3 9284 4000
Facsimile: +61 3 9699 2869

SYDNEY

Level 6/15 Blue Street,
North Sydney NSW 2060 Australia
Telephone: +61 2 8484 8000
Facsimile: +61 2 8484 8154

Email: info@asciano.com.au
www.asciano.com

ABN: 26 123 652 862

Auto, Bulk and General	3 Months Ended:			3 Months Ended:		
	Mar. '11	Mar. '10	Change	Mar. '11	Dec. '10	Change
Autocare:						
Vehicle Movements ('000)	246	275	-11%	246	258	- 5%
Vehicle Storage Days ('000)	3,251	2,013	+61%	3,251	3,204	+1%
Vessels stevedored	507	495	+2%	507	510	-1%
Bulk Rail NTKs (m)	1,162	802	+45%	1,162	751	55%

Comments:

- Vehicle movements were below the corresponding prior year quarter due to the carry over impact of the Government stimulus package in the corresponding quarter last year, as well as the impact of the Queensland floods.
Vehicle storage days were marginally up on the previous quarter and up significantly on the corresponding prior year quarter reflecting a recovery of vehicle volumes following the strong sales in the previous year and improved market confidence
- Volumes stevedored varied across the different markets. Steel volumes increased on the corresponding prior year quarter reflecting stronger import and export volumes while bulk and general volumes were lower due to the impact of flood and drought conditions in Queensland and Western Australia
- Significant uplift in bulk rail NTKs was driven by the strong export grain volumes in both NSW and Victoria

Outlook

Asciano expects general business conditions to slowly improve across all divisions in Quarter 4. Weather related impacts are expected to moderate in line with seasonal change, but the cumulative impacts to Asciano customers will result in a slower recovery as coal supplies remain significantly depleted.

Patrick's prior period customer losses are now clear of equivalent historic comparisons and customer metrics continue to show positive momentum. The current industrial activity will continue into Quarter 4, pending a commercially sensible outcome.

Full year EBIT is expected to be in the range of \$530 to \$540m despite these one-off events. Full year material items are expected to be in line with previous estimates and in the range of \$60m to \$70m.

These estimates include the effects of the MUA's industrial disruption to date, but any worsening or material prolongation of the disruption has not been quantified at this time.

Asciano Managing Director and CEO, John Mullen, commented "The March Quarter was a challenging period for most parts of the Asciano business. Many of the events which occurred during the quarter were both out of the ordinary and unforeseen. These events;

- Continued coal production shortfalls as communicated by our customers in our Coal Division
- Decreased volumes from weather, consortia changes and lower retail spending in our Ports Division
- Weather related disruption and lower steel volumes in our Rail Division
- Other external impacts such as the earthquake and tsunami in Japan

have made this a very difficult period for Asciano. In addition, management's decision to stand firm in the face of the unrealistic demands being made by the MUA in pursuit of wage claims in the Ports Division well in excess of industry norms will have an as yet unquantified impact on the company's results, albeit we hope to resolve this in as short a timeframe as possible.



Despite these events, we remain pleased that the business is on track to show a healthy growth in both revenue and EBIT for the full year.”

Investor Relations Contact:

Angus McKay
(W) (03) 9284 4012

Media Contact:

Vida Cheeseman
(M) 0410 597 547

