ASX ANNOUNCEMENT

Wednesday 12 November 2014

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

2014 Annual General Meeting – Chairman, CEO and Remuneration Committee Chairman addresses

In accordance with ASX Listing Rule 3.13.3, please find attached the addresses and accompanying slide presentation to be given by Asciano's Chairman, Chief Executive Officer and Remuneration Committee Chairman at the Annual General Meeting to be held today at 10.00am.

Yours faithfully

Lyndall Stoyles

Lyndall Stoyles
Group General Counsel and Company Secretary

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Annual General Meeting
12 November 2014
AGM Speeches

Slide 1 – Asciano Limited – Annual General Meeting*

MALCOLM BROOMHEAD:

Good Morning Ladies and Gentlemen.

My name is Malcolm Broomhead, Chairman of Asciano Limited. On behalf of my fellow Directors, I welcome you to our company's 2014 Annual General Meeting. I also welcome shareholders listening to our meeting today through our webcast facilities.

Before we start, can you please ensure your mobile phones are switched off or to silent.

****Slide 2 – Evacuation Instructions*****

I also want to make sure you are familiar with the evacuation procedures we will follow in the unlikely event of an emergency.

In the event of an emergency, you will hear an evacuation alarm. Please follow the instructions of the wardens and assemble at the primary evacuation point for the Wesley Centre, which is shown in the colour green and labelled 'Emergency Assembly Point' on the slide behind me.

****Slide 3 – Asciano Limited – Annual General Meeting*****

This is a properly constituted meeting and a quorum is present. I therefore declare the 2014 Asciano Limited Annual General Meeting open.

Let me start by introducing my fellow Directors, our Chief Financial Officer and our Company Secretary.

Seated to my immediate right is John Mullen, our Managing Director and CEO, who you will hear from a little later. Next to John are Non-executive Directors Shirley In'tVeld, Bob Edgar and Peter George. Next to Peter at the end of the row is our Chief Financial Officer, Roger Burrows. To my left, starting from the end of the row and working inwards are Non-Executive Directors Geoff Kleemann, Ralph Waters and Chris Barlow. Next to Chris and to my immediate left is the Company Secretary Lyndall Stoyles.

Our Auditor, KPMG, is present today and is represented by lead auditor, Steven Gatt.

Also present today are a number of Asciano's senior leadership team, who will be available to answer any questions you may have following the close of the formal meeting. I encourage all of you to take this opportunity to engage with our senior managers to learn more about the performance of our business.

*****Slide 4 – Disclaimer*****

The Notice of Meeting was distributed to shareholders on 10 October 2014 and with your consent, I propose to take the notice as being read. I also draw your attention to the disclaimer slide which you can now see in front of you.

*****Slide 5 – Agenda*****

I will start the meeting today with an overview of performance highlights from the 2014 financial year, before introducing an important new initiative that has just been launched to improve gender diversity in our business. I would then like to finish with some comments on productivity in the current Australian business environment, and some of the issues we face as a nation in the increasingly competitive global economy.

I will then ask our Managing Director and CEO, John Mullen, to run through some of the key financial successes from 2014 and provide an update on our performance in the first quarter of the 2015 financial year.

We will then provide the opportunity for those present to ask questions on the presentations or any other questions about Asciano's operations.

We will then move into the formal business of the meeting. The Chairman of the Remuneration Committee, Mr Chris Barlow, will address the meeting when we consider the resolution relating to the Remuneration Report. I ask that any questions relating to the Remuneration Report be held untill this time.

The next items of business will consider the re-election of directors, after which we will consider the items relating to the grant of rights to the Chief Executive Officer for the 2015 financial year, and the renewal of the proportional takeover provisions contined in Rule 15 of the Company's constitution

Voting on all resolutions will be conducted by a poll.

After the formal close the meeting light refreshments will be served.

****Slide 6 – Chairman's Address*****

Asciano has had another successful year in 2014. Under the leadership of our Managing Director and CEO, John Mullen, we have achieved another strong revenue and earnings result, and we are positioned well for further success in the future.

During the year, we continued to make good progress on the five year plan we announced three years ago. This plan has focused on stabilising and strengthening our balance sheet after the challenges we faced in 2010, improving our business performance on key financial and non-financial measures, and looking for new avenues of development and growth.

Importantly for shareholders, our underlying net profit after tax has again increased, our full year dividend is up by over 20 per cent, and our payout ratio this year reached the top end of the range established by the Board in the 2013 financial year. As John will touch on later, with capital expenditure expected to decline over the coming years, this puts us in a strong position to further improve shareholders returns as we move forward.

John will talk in more detail about the key performance highlights; however, I would like to touch on one area where it is particularly pleasing to see good progress. In the last year we have continued to invest resources in improving the quality of our customer relationships. Highlights have included undertaking our second Group-wide customer survey, linking these results to our employees' short term incentive program, and establishing an Asciano Customer Council to drive new customer initiatives and ongoing improvements.

Our customer survey results have showed some dramatic improvement in underlying measures of performance; however, we still have more to do. In the year ahead we will further accelerate our focus in this area with the formal recognition of our customer program at a Senior Leadership Team level and the appointment of a Program Manager to drive our customer efforts.

****Slide 7 – Diversity at Asciano*****

Today I would also like to touch on the important issue of diversity in our business. The Asciano Board is committed to addressing this issue. Developing a workforce which reflects the diversity of the community we work in is important in establishing a positive and productive culture, in addition to being a commercial imperative.

The challenge of gender diversity is particularly strong for Asciano given we operate in a traditionally male-dominated industry. For this reason, I am pleased that in the last few months we have launched a new management cadetship program designed to address this challenge.

The new Asciano Women in Logistics program will be launched in our Patrick Terminals and Logistics Division over the coming months.
I would now like to play a short video presentation to introduce this important new program.

The Asciano Women in Logistics Management Cadetship Program will initially recruit eight female cadets into our Patrick Terminals & Logistics Division. Two cadets will be recruited for each of Patrick's container terminal operations in Sydney, Melbourne, Brisbane and Perth, with the program to commence early in 2015.

The Board and Senior Leadership Team are committed to addressing our diversity challenge by developing programs to open up new roles to women and to investing in training to increase the broader diversity of our frontline workforce and management teams. We believe this new program will provide a good start to addressing this challenge and we look forward to updating our shareholders and the broader business community as we move forward.

*****Slide 8 – Productivity and the Australian Economy*****

I would now like to say something about living standards. Australia has been enjoying one of the highest living standards in the world, but it has been at a very high cost. Anyone who has travelled overseas will recognise that our cost of living is extraordinarily high. The cost of meals, of motor cars, of housing, of even the basic necessities of life, are all far higher in Australia than almost anywhere else in the world.

That has been well and good while our national income has been high enough to pay for all these costs. But suddenly our resource commodity prices have dropped, many of our manufacturing plants are shutting down, and our national income can no longer support our high wages, which in turn pay for these high living costs. In short, we have suddenly become uncompetitive in a very competitive world. Australia has fallen from 15th to 22nd over the last four years in the World Economic Forum's annual Global Competitiveness Report.

Let me give you some more practical examples:

- it is now significantly more expensive to stevedore a ship in Australia as it is in New Zealand;
- unskilled labour in Australia is three times as expensive as it is in the United States; and
- it costs three times as much to build an oil rig here as it does in the Gulf of Mexico in the United States.

These are massive differences and something has to change. We have to become competitive again or our living standards will fall.

Discussion about productivity has been narrowly defined by some to mean lower wages; but what it really means is output per unit cost. That is, if we can produce more for the same level of wages and other costs, then our productivity, our competitiveness and our relative standard of living will all rise.

There are a number of elements which contribute to us being able to be able to achieve this. They include:

- More flexible working arrangements;
- Less red tape and better regulation;
- More efficient infrastructure; and
- Lower taxation.

Efforts to address each of these things unclog the arteries of commerce and enable us to be more productive. For Asciano, improved overall productivity through the right public policy reform helps drive our growth. The Federal Government is starting to address policy in some of these areas, but clearly much more needs to be done.

Industrial relations

First, with regard to industrial relations and more flexible working arrangements. The issue is not so much the level of wage increases as it is about removing restrictive work practices. For the many years during which our living standards were rising, wage increases were always more than paid for by productivity improvements. That process came to a grinding halt under the current Fair Work legislative regime.

In our own business, we are investing in new infrastructure and have engaged directly with our employees to improve work process efficiency as a means to increase productivity. However, the government must continue to support these efforts by ensuring that productivity remains a key driver of future changes to the prevailing Australian industrial relations framework. It is for this reason that we support the introduction of measures that will require the discussion of productivity improvements before any future enterprise agreement is approved.

Better regulation

With regard to regulation, governments around Australia must continue to examine areas of reform. In the rail industry, for example, substantial productivity gains can be made by ensuring regulatory settings support increased competition between operators. This is particularly important in Queensland, where the consultation process continues for a new below rail network access undertaking. It is important the regulator in Queensland continues to remain vigilant in protecting the benefits that above rail competition has delivered, while establishing rules that promote innovation as a driver of increased efficiency in the Queensland coal network.

As one example, with the stroke of a pen, coal capacity and network efficiency and productivity could be improved in Queensland by allowing flexible transfer of rail capacity between miners. That is, without any additional investment in new below rail infrastructure. Given the challenged global economic conditions and volatility in the price of key commodities, it is vital that all rail regulators throughout Australia pursue productivity gains by putting rules in place that promote innovation, allow competition and deliver efficiency. We believe a move to single national rail access regulator would be a key step in achieving this goal.

<u>Infrastructure</u>

Finally, we believe it is important the Federal Government continues to invest in new infrastructure, and that nation building rail projects should be put at the forefront of our national freight infrastructure strategy. With the right investment, rail can be the most economically efficient mover of goods, while at the same time contributing to social amenity by reducing carbon emissions, reducing congestion in our cities and by improving public safety through the removal of trucks from our highways.

We should continue to pursue the development of an inland rail route to connect the major cities on Australia's east coast. This vital piece of infrastructure will reduce freight transit times, reduce congestion on metropolitan mass transit rail systems and enable the movement of larger freight volumes via rail by making longer and double stacked trains possible. Elsewhere, given the significance to the national economy, we also believe it is important to see further upgrades to the East-West track between Melbourne, Adelaide and Perth.

For this reason, while it is positive to see infrastructure back on the Federal Government's agenda with significant investment in new roads infrastructure, it was disappointing that in the most recent Federal Budget future funding for rail decreased by almost 70 per cent. True competition and efficiency in freight networks can only be achieved when all modes of transport operate on equal footing.

*****Slide 9 – Board Matters and Corporate Governance*****

I would now like to address Asciano's approach to Corporate Governance.

Good governance is essential to the long-term success of the Company and the Board continues to provide oversight of a robust corporate governance framework that adds value for all stakeholders though strong risk management and well defined processes. To achieve an effective oversight function, the directors need to have a good balance of skills and experience.
In August this year, the Board undertook its annual review of its overall performance and also the performance of individual directors. The review confirmed that the Asciano Board comprises an effective combination of skills and experience, which promotes robust discussion and sound, consistent decision making.

Two of our directors - Shirley In'tVeld and Chris Barlow - who resign under Article 9.2(a) of our Constitution are standing today for re-election with the unanimous support of the Board. Each brings an impressive track record appropriate to fulfil their obligations as directors of Asciano.

Shirley joined the Board in 2010. She is an outstanding non-executive director who brings with her extensive commercial and legal acumen and a wealth of experience in large infrastructure companies and government. We have seen the significant contribution Shirley has made to the board as Chair of the Sustainability Committee, where she has overseen our ambition to provide sustainable logistics solutions that are economically, environmentally and socially viable.

Chris has served as non-executive director since 2007. His understanding of the transport infrastructure sector is deeply respected in the industry, as reflected in his many roles in the airports sector over the years. He has been a member of the Sustainability Committee and the Chair of the Remuneration Committee, where his deep knowledge of remuneration best practice has helped shape the remuneration policies and structures that have been integral to Asciano's success.

Shirley and Chris are positive contributors to the Company's guidance and governance and make valued and insightful contributions to our deliberations. You will have an opportunity to hear from both Shirley and Chris a little later on.

In closing, on behalf of the Board of Directors, I would like to thank all our shareholders for their ongoing support. I would also like to acknowledge and thank John and his Senior Leadership Team, along with all Asciano's employees, for their efforts in helping us achieve another year of strong performance.
I will now hand over to our Managing Director and CEO, John Mullen, to talk in more detail about our performance over the last year, and the outlook and business prospects for Asciano over the next 12 months.

*****Slide 10 – CEO Address*****

JOHN MULLEN:

Thank you Malcolm and good morning everyone.

Well today is a chance to look back on the 2014 FY and take stock of how your company is tracking, what has gone well, what has not gone so well, and where we are concentrating our efforts as we go into this new financial year.

Firstly, though, I would like to add my thanks to the various stakeholders who make our company what it is;

- Our shareholders for supporting us through the three years of our turnaround plan and the ongoing Asciano journey.
- Our customers for working with us and trusting us with their business through what has been another challenging period for the Australian economy.
- Our board which has backed and encouraged management throughout these last three years. They are demanding of us which is as it should be, but they are consistently supportive and fair.
- Lastly but by no means least, our employees who contributed to another good year of growth in fiscal year 2014 despite the tough economic head winds which in particular had a major impact on our Pacific National Rail and Patrick Terminals divisions, mainly in the second half of the year.

Today then, I would like to give you a quick overview of the fiscal year 2014 operating highlights, an update on our five year plan based on the information we presented at our investor day in June this year and then I will finish with an update on trading conditions for the first few months of the new year and our outlook for fiscal year 2015.

*****Slide 11 – 2014 Highlights***

Turning to last year's results, which no doubt most of you have read through by now, overall we were pleased with the year:

- General performance was in line with our outlook and in line with market consensus.
- EBITDA, EBIT, NPAT and Capital Expenditure were all pretty well in line with expectations.
- The result was transparent at the underlying operating level. We did book a profit on a few property sales during the year, however this happens every year and the contribution was almost exactly the same in FY 13 so this did not impact the year on-year comparison. In this regard, by the way, we do continually review our portfolio of properties and <u>buy</u> as well as <u>sell</u> properties throughout each year as our business requirements change. This is an integral part of the efficient and strategic management of our business.

The growth over the year was driven by a very strong performance from our coal haulage business and a stronger second half from our container terminals business, offset by a weaker performance in intermodal and bulk rail and some softer areas in the bulk and automotive port services division as well. The fact that despite the weakness in some areas we again reported growth in earnings, we really believe highlights the defensive nature of our businesses in tough times.

Operating expenses were tightly contained across the Group, in particular in the Rail and Terminals divisions. But, nonetheless, we managed to maintain the key competitive advantages offered by both of those businesses, and customer service performance, far from slipping, has actually improved.

This cost performance resulted in our EBITDA margin being maintained at 28% for the year, which was, I think, a pretty strong result in light of the high fixed cost nature of the business.

As outlined at the time of our FY 14 interim result, the tougher times have led us to accelerate our business improvement targets. We have doubled our five year FY 16 target to $300 million and I am pleased to say that the program, and particularly the integration of the two rail divisions, is tracking extremely well.

During the year we also continued with our asset replacement programme which is now drawing to a close. Capital expenditure has been within forecast and as previously advised, FY15 spend will be the range of $600-$700m and, will then normalise to $300-$400m by FY16, when the big hump of catch up capital expenditure will be behind us. We will have spent a lot of money, some $1.5 billion, in fixing up the business, but this program will have transformed our business platform, will have delivered world class assets and productivity across our business, will ensure we remain well leveraged to future volume growth, and will have given us a company that we can really all be proud of.

Let me now mention a few other quick highlights of the year;

- Despite tough times, cost cutting and integration, our service quality improved across the board and we are seeing strongly improved NPS scores in almost all parts of our business.

- Our free cash flow is starting to improve as we predicted. The second half of the FY14 year saw a free cash flow positive result in the order of $60 million and this free cashflow is expected to continue to accelerate over the next couple of years. We remain very focused on using this expanded free cash flow to keep our commitment to the market to lower our leverage and to increase returns to shareholders, including offering a higher dividend.

In line with this, as we are very confident about our progress, we again increased our dividend per share by 24% year on year in FY14. This payment was at the top end of our payout ratio range of 20% to 40%. We continue to expect that range to expand towards a 60% to 70% payout ratio target over time.

****Slide 12 –Update on 5 Year Plan***

Moving on then, I thought it might be useful to give you a broad update on our progress against our five year plan, given we are now over halfway through the five year period.

I would like to stress though, that a five year plan in business is like trying to forecast the price of 20 stocks on the share market five years out. You're not going to get every prediction right, and it's not a mathematical model that you press the button on day 1 and everything runs exactly as you said it would for the next five years. This said, we are actually really pleased that by and large we think we're tracking more or less in line with what we said we would do with some ups, some downs, of course, but broadly still in line.

We broke the five year plan into three phases.

- The first phase was centred around getting our “house in order”. Since listing in 2007 the Company had reported some very substantial losses, in the order of $1 billion in FY10 alone, and in 2011 we still had a very significant amount of debt coming due in the short term. This obviously needed to be addressed and our balance sheet needed to be restored to an acceptable level.
- The second phase was then improving our business performance. Not just direct financial performance but in every other aspect of our operations including safety, customer, employee engagement, productivity, information technology, and so on.
- Then the third phase was the strategic development of the company. This means identifying where and how the company develops beyond our five year program, and how we ensure long-term and sustainable growth into the future.

So maybe I can give you a quick snapshot on how we've done against these three phases.

Phase I is largely complete. Our balance sheet is in good shape again, our debt profile has substantially lengthened and our gearing level is on a downward trajectory. You may have seen, but just a week or so ago we received our long-awaited upgrade from S&P to BBB flat, a further sign of our maturity and solid investment grade rating.

This said, we still need to complete three important things all of which we are absolutely committed to, and which we are still very much on track to deliver.

- Real sustaining capital expenditure, that is the money that we need to spend to keep us in business and keep our assets modern and efficient, needs to come back to depreciation levels ($300m-$400m), which will then deliver a strong free cash flow.
- This strong free cashflow will then drive a reduction in our debt leverage towards our target of 2.5x Debt/EBITDA
- This strong free cashflow will also then allow an increase in the dividend payout ratio to a standard Australian industrial company level of around 50% to 70%.

We think that we are very much on track to achieve these goals, even if there is no rebound in economic conditions.

In terms of Phase II of the program we have thus far delivered on most key non-financial and financial objectives. The obvious challenge we have at the moment is that there has been much lower than expected growth in some of the markets we operate in, which in turn has resulted in a reduced volume growth profile compared to our forecast three years ago. This has put pressure on earnings growth which resulted in us having to take some aggressive measures, including doubling the size of the business improvement program to $300m, to get us back on track to achieve our original objectives.

Lastly then, Phase III of our programme is about where to take the company after these turnaround goals are achieved?

We remain keen to find new areas of growth because clearly on the one hand we are constrained in the long term by our substantial market shares in most key business segments, and on the other hand by the sluggish growth in the Australian economy. This does mean that we need to look for new sources of growth, both in Australia and overseas.

However, very importantly I would like to emphasise that while we continue to examine quite a number of growth opportunities, we are not considering any major strategic move or action that would in any way jeopardise the free cash flow objectives outlined in Phase I and Phase II of our five year plan. If we can do both then great, but if not then our free cashflow objectives will come first.

*****Slide 13 –First Three Year Highlights***

As we are now some two thirds of the way through our five year plan, it is worth taking stock of the progress that has been made from a shareholder perspective. As you can see from the slide, most of our key metrics have seen good improvement during the period;

- Dividend per share has increased 137.5%
- Our share price has increased by nearly 20% during the period
- We have delivered 44.4% growth in underlying EPS and
- Our return on equity has improved materially over the period from 6.9% to 9.5%.

So let me now move on to an update on trading for the first quarter of the 2015 financial year.

*****Slide 14 – Update on Pacific National***

In our Pacific National rail business, coal haulage continues to be strong with good organic growth in the market. Coal tonnes hauled increased 6.6% in the first quarter, reflecting a haulage rate of 90% of contracted tonnes compared to 88% last year with a very strong performance in NSW in particular.

However, volumes for other bulk haulage declined 7.7% for the quarter versus last year, primarily reflecting a 31.8% decline in grain volumes for the period. Although always hard to predict, we do expect some improvement in grain volumes as we go into the third quarter, leading to a relatively flat full year performance overall.

Intermodal volumes continued to be patchy over the quarter although they have improved from the lows in fiscal year 14. NTKs declined 2.4% for the quarter, largely reflecting ongoing weakness in Superfreighter volumes on the east-west route. This trend does seem to be improving with current volumes running more or less flat or slightly positive on last year.

While haulage volumes across the quarter were slightly below expectations, the progress being made with the integration of the two businesses and the forecast cost reductions from our BIP are tracking ahead of expectations. We are pleased that the cost reductions are flowing through to EBIT and as a result we are seeing a strong improvement in margins over the quarter.

We are delighted with the performance of this division.

****Slide 15 – Update on Terminals & Logistics***

Turning to Terminals & Logistics, this business also continues to perform well in softer market conditions.

Over the last three years service performance has improved significantly and when the Port Botany redevelopment is complete early next year we will have completely renewed the assets of this business giving us the best footprint in Australia, the most modern assets, and some of the lowest operating costs in the business. We believe that these advantages are what is allowing us to maintain our market share in the face of strong competition and a new entrant to the business in Hutchison and over the last couple of weeks I am pleased to say has also allowed us to secure a small new contract serviced out of our terminal in Brisbane.

Our Terminals business remains very focused on successfully completing the redevelopment and automation of Port Botany and crossing over to full automation next March which is the quietest period of the year. This redevelopment is the largest and most complex project the Australian waterfront has probably ever seen but when concluded, Port Botany will be one of the most advanced robotic terminals in the world and a real showpiece in Australia. We have had our share of challenges as with any such major project, with delays and additional costs resulting from straddle damage and other issues, but the redevelopment work is now largely complete, the project team is winding down as the project is handed over to operations for commissioning, and we are very confident that the automation will go live in March of next year and will deliver the full benefit that we have planned.

Out in the market though, trading conditions remain challenging, with container lifts overall being flat for the quarter versus last year. Volumes in Fremantle and Melbourne were modestly up year on year whereas Sydney and Brisbane both saw lower volumes for the quarter, and the overall market continues to grow at rates between zero and three percent, well down on historical norms.

Logistics TEUs were down 1% for the quarter, also reflecting a soft market and the impact of some contract losses.

Nonetheless, despite the soft conditions, cost control has remained tight and the division has reported good margin growth in the first quarter compared to the same period last year.

****Slide 16 – Update on Bulk & Auto Port Services***

Lastly, our Bulk & Automotive Port Services business has, as anticipated, had a difficult first quarter driven by lower volumes on the Gorgon Project as that contract winds down. Excluding this contract though, bulk tonnes stevedored actually increased by 4% over the quarter versus last year, driven by higher volumes in copper, manganese, phosphate, and fertiliser volumes, offset to an extent by weaker volumes in areas including steel, aluminium and project cargo.

The contribution from port management activities over the quarter increased compared to the same quarter last year, reflecting enhanced activity levels at those ports including an 8% increase in fertiliser volumes.

****Slide 17 – Summary and Outlook***

So to conclude, let me summarise the points made today and confirm our outlook for the year.

The five year plan that we announced three years ago is still on track, despite all the ups and downs of the market and the pressure on volume growth from flat external markets.

In response to these flat markets, however, we have taken some difficult decisions to make quantum changes to the cost base of the business and restore our earnings growth trajectory. These changes are working well and the cost improvements being made give us confidence that we remain on track to deliver a 10% to 15% EBIT CAGR over the five year period of the plan.

Very importantly, we remain absolutely committed to completing the backlog of catch-up capital expenditure across the business divisions this year but keeping total spend to the $600-$700m range this year and $300-$400m next year, as previously advised. This trajectory will continue to increase free cash flow, which in turn will allow us to reduce leverage and increase the dividend.

Then in terms of new growth opportunities for the business going forward, we continue to look at opportunities both in Australia and overseas. There are exciting options out there but let me re-emphasise, we will not make any move that would jeopardise the free cash flow objectives that we have committed to achieve over the next few years.

And lastly in terms of the outlook for the Group, we maintain the guidance we released at our full year result presentation for EBIT growth in FY15 to be greater than 5%. It is going to be a challenging year in terms of market conditions, but we are still confident of moving the company forward despite this environment.

Thank you again for joining us this morning I will now hand you back to Malcolm to chair a Q&A session and the formal part of the meeting.

MALCOLM BROOMHEAD:

Slide 18 – Questions

Ladies and Gentlemen, before we move to the formal items of business to be considered at today's meeting, you will now have the opportunity to ask questions or make comments of a general nature. I would ask that you hold any questions specifically related to the Remuneration Report until we deal with that item when they will be addressed by Mr Chris Barlow, the Chairman of the Remuneration Committee.

I would like to ask shareholders present today to remember that this is a meeting for all shareholders. If any shareholder has a question relating to their personal circumstances, this can be raised with the Company and Computershare representatives present in the registration area after the meeting.

For those present who are eligible to and who wish to ask a question, please move to one of the microphones which are located in the room. I ask that you show your handset or your blue card to the microphone attendant and give them your name. If we can't answer your question in full today we will work to provide you with a response after the meeting. Please limit yourself to one question at a time.

<Questions from the audience>

Ladies and Gentlemen, I will now turn to the formal business of the meeting.

Slide 19 – Formal Business of the Meeting

There are 6 items of business before this meeting today.

In order to ensure that the views of all shareholders are taken into account, I will declare a poll on all items of business where a vote is required. I will declare each poll to be open individually following the discussion on each item. Voting on the poll for each item will remain open until voting has been completed on the resolution in that item. I will show a slide for each resolution which shows the proxy position with respect to that resolution and I will also declare the manner in which I intend to vote undirected proxies. I will then show the interim result of the poll for that resolution once voting has been completed.

****Slide 20 – Computershare instruction*****

Shareholders and proxyholders will have received a handset like this [show handset] when you registered today. You should also have received an “Attendance and Voting Instruction” card. This card explains how to use the handset.

Once voting begins, your voting options will appear on the handset screen. To vote FOR the resolution, press 1; to vote AGAINST, press 2 or if you wish to ABSTAIN from voting, press 3.

The word ‘received’ will appear briefly on screen confirming your vote has been cast. You will then be returned to the voting options, the vote you selected will now be indicated by a cross.

If you wish to change your mind simply select a new option by pressing 1,2 or 3. Your original vote will be cancelled and your new selection will be counted.

Any appointed proxies should vote in the same method, that is to press 1,2 or 3. This will cast any open votes you have available.

The results of the poll will be displayed on the screens immediately after voting on that resolution is completed and will also be announced on the ASX and on the Company’s website following the conclusion of the meeting.

I appoint Scott Hudson of Computershare Investor Services as the Independent Returning Offier.

Subject to the specific voting exclusions, the persons entitled to vote on this poll are all shareholders, representatives and attorneys of shareholders, and proxyholders. All persons entitled to vote will have been provided with a handset.

Before we proceed with the formal business, as you would probably be aware, there are laws that apply to voting on resolutions relating to the remuneration of key management personnel. In general, the Company’s key management personnel (which includes the directors and those executives who are disclosed in the Remuneration Report) as well as their closely related parties are prohibited from voting any undirected proxies on such resolutions. There are also some specific rules regarding the Remuneration Report resolution which I will mention when we get to that Item of Business.

If there is any person present who believes they are entitled to vote but have not registered to vote, or if anyone has a query regarding the voting process or use of the handsets, please raise your hand and a member of Computershare’s staff will assist you.

If you require any assistance throughout the meeting, Asciano and Computershare staff are here to assist you.

**Slide 21 - Formal Business**

I turn now to the first Item of Business on the agenda, the consideration of the Financial Statements and Reports for the Company. The Corporations Act requires the Board to lay the Financial Report, the Director's Report and the Auditor's Report for the last financial year before the Annual General Meeting. The Corporations Act does not however require a vote of shareholders on this resolution.

**Slide 22- Financial Statements**

I now turn to the floor and ask for any questions from those present concerning the Company reports.

[Questions from the floor on the Accounts]

If there are no further questions I declare that the reports have been received and considered at the meeting.

In accordance with the Notice of Meeting I now move onto Item 2, the adoption of the Company's Remuneration Report for the financial year ended 30 June 2014. I note that, while the vote on this item is advisory only and does not bind the Company or its directors, the Board and Remuneration Committee certainly takes into consideration the feedback we receive from shareholders.

**Slide 23 – Chairman of Remuneration Committee Address**

I would like to introduce Mr Chris Barlow, the Chairman of our Remuneration Committee. Chris will take a few minutes to provide you with a brief summary of the approach we have taken to our Remuneration arrangements and Remuneration Report this year.

CHRIS BARLOW:

Thank you Malcolm and good morning to you all.

This year our remuneration structures remain consistent. We feel consistency and stability are important as after some significant changes in 2011 our remuneration framework is now well understood and working effectively. If you have read our report I hope you too will feel the same.

*****Slide 24 – FY15 Remuneration Structure*****

We believe our current remuneration structures remain appropriate for the company at this time, but the Remuneration Committee continues to be committed to reviewing and improving the remuneration structure to ensure that a robust link continues to exist between executive reward and Company performance.

As I have said in previous years, our approach to remuneration at Asciano is based on clearly linking management reward with outcomes that matter for our shareholders. Our report is designed to be clear and easy to understand to give you a transparent view of the past year. Our overarching strategy is to ensure that remuneration is market competitive to attract, motivate and retain people of the highest quality and to align our incentive measures with the drivers of company success.

While our Report is comprehensive I would like to briefly share with you the key elements of our remuneration structure and how these translated into the remuneration outcomes this year.

*****Slide 25 – Short Term Incentive Plan*****

Let me start with our Short Term Plan. As you can see we have maintained a balance scorecard approach and continue to measure earnings, safety and customer service, as well as specific success factors for executives. These measures mirror the key deliverables that your Board believe will drive shareholder value. You will find these highlighted in the report from the chairman and our CEO at the start of main report. For the first time the hard data results of the company-wide customer satisfaction survey were measured in our STI, and this provided increased rigor to this element of our scorecard.

We further align our executive's reward to shareholder interest through the deferral component in the plan that requires 25% of the award to be allocated in share rights. In other words, if your shares do well so do theirs.

*****Slide 26 – Short Term Incentive Results*****

Looking now at what the Short Term Plan delivered.

As you heard from John we faced some challenges this year particularly from a sluggish Australian economy but despite this, management has delivered strong underlying performance against our set goals. Our strongest performance was reflected in the payments made to the PN Coal management team which you can see here. Across the rest of the group the incentive payments reflect a really solid performance against our balanced scorecard.

****Slide 27 – **Long Term Incentive Plan*****

Turning now to our Long Term Incentive Plan.

We have maintained a consistent approach using a combination of two equally weighted measures; Return on Capital Employed and Relative Total Shareholder Return. The first measure is important in a capital intensive company to ensure we achieve an appropriate return for every dollar we invest in the business; whereas Total Shareholder Return delivers very direct alignment between shareholder return and executive rewards.

****Slide 28 – Senior Executive Take-Home Pay FY14 *****

Our LTI scheme is not soft and you will note from the report that to date it has delivered relatively low rewards to management. The slide behind me shows the take home pay of our Key Management Personal.

As John has indicated, in light of anticipated challenging market conditions for the coming year, demonstrating constraint in pay is essential. Other than those executives who have had substantive changes to their roles there were no salary increases for our senior leadership team this year. The Board have exercised the same constraint, and there will no Director fee increases for FY15.

I will take it that you have all read the detailed information included in our Remuneration Report and I hope this demonstrates our commitment to being open and transparent in our Remuneration policy and outcomes.

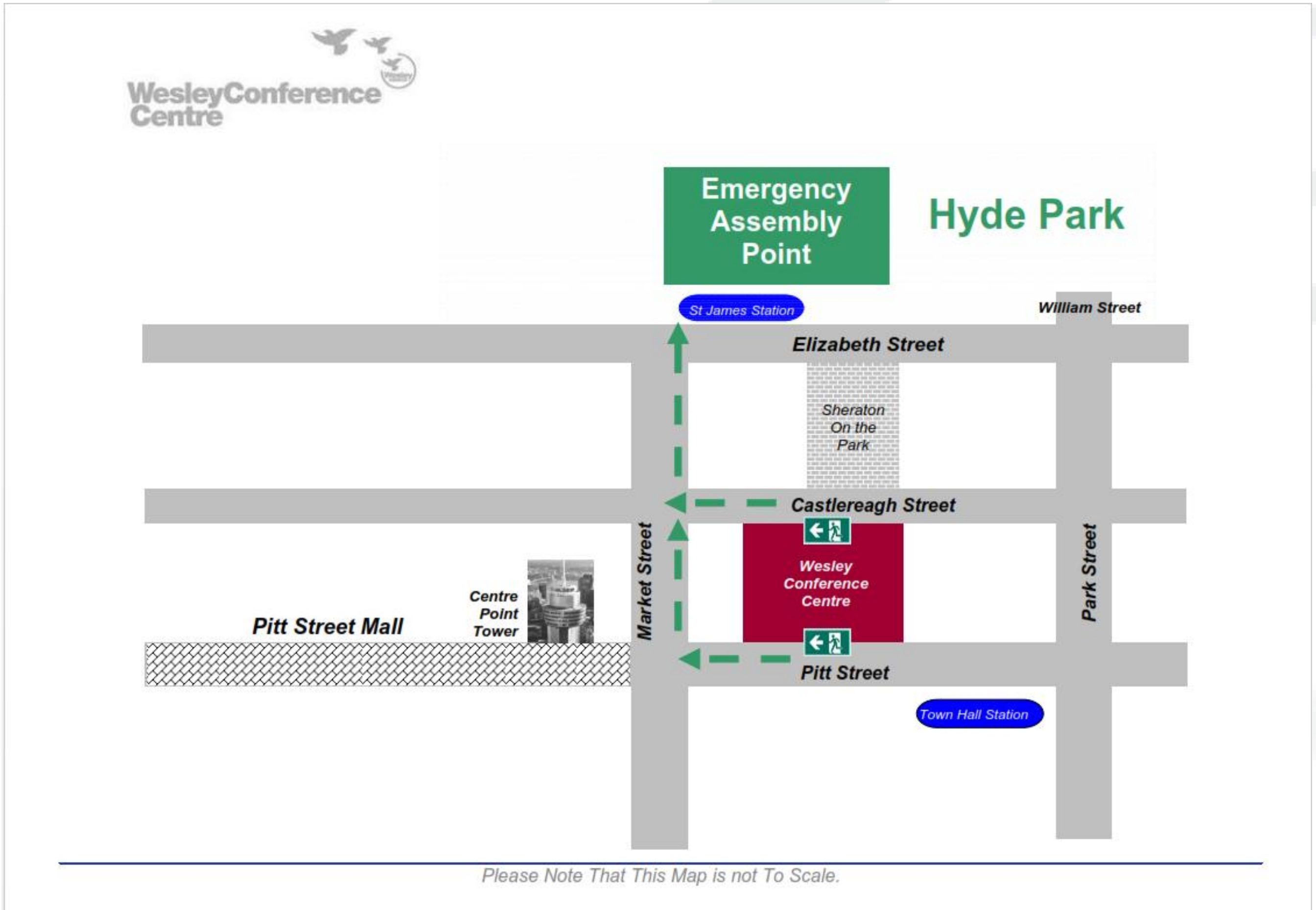
****Slide 29 - Questions from the floor on the Remuneration Report*****

Thank you for your attention. I will be happy to take any questions you may have.

Ladies and gentlemen thank you for your attention. I will now hand back to our Chairman, Malcolm Broomhead.

The asciano group of companies pacific national PATRICK

EVACUATION INSTRUCTIONS




2300 HRS | TUESDAY
PORT OF FREMANTLE, WESTERN AUSTRALIA
STEVEDORING AUSTRALIA'S IMPORTS
24
HOURS A DAY
365
DAYS A YEAR
0500 HRS | TUESDAY
PORT GERMEIN, SOUTH AUSTRALIA
MOVING DOMESTIC FREIGHT

DISCLAIMER

This presentation includes “forward-looking statements.” These can be identified by words such as “may”, “should”, “anticipate”, “believe”, “intend”, “estimate” and “expect”. Statements which are not based on historic or current facts may be forward-looking statements.

Forward-looking statements are based on assumptions regarding Asciano’s financial position, business strategies, plans and objectives of management for future operations and development and the environment in which Asciano will operate.

Forward-looking statements are based on current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties. Actual results, performance or achievements of Asciano could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained in this presentation are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Asciano, which may cause the actual results, performance or achievements of Asciano to differ materially from those expressed or implied by the forward-looking statements. For example, the factors that are likely to affect the results of Asciano include general economic conditions in Australia; exchange rates; competition in the markets in which Asciano does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of Asciano. The forward-looking statements contained in this presentation should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive.

Asciano disclaims any responsibility for the accuracy or completeness of any forward-looking statement. Asciano disclaims any responsibility to update or revise any forward-looking statement to reflect any change in Asciano’s financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law.

The projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of Asciano. Unless otherwise stated, all amounts are based on A-IFRS and are in Australian Dollars. Certain figures may be subject to rounding differences. Any market share information in this presentation is based on management estimates based on internally available information unless otherwise indicated.

You must not place undue reliance on these forward-looking statements.

This presentation is not an offer or invitation for subscription or purchase of, or a recommendation of securities. The securities referred to in these materials have not been and will not be registered under the United States Securities Act of 1933 (as amended) and may not be offered or sold in the United States absent registration or an exemption from registration.

1 Financial Statements and Reports

2 Remuneration Report

3 Re-election of Director – Mr. Barlow

4 Re-election of Director – Ms. In't Veld

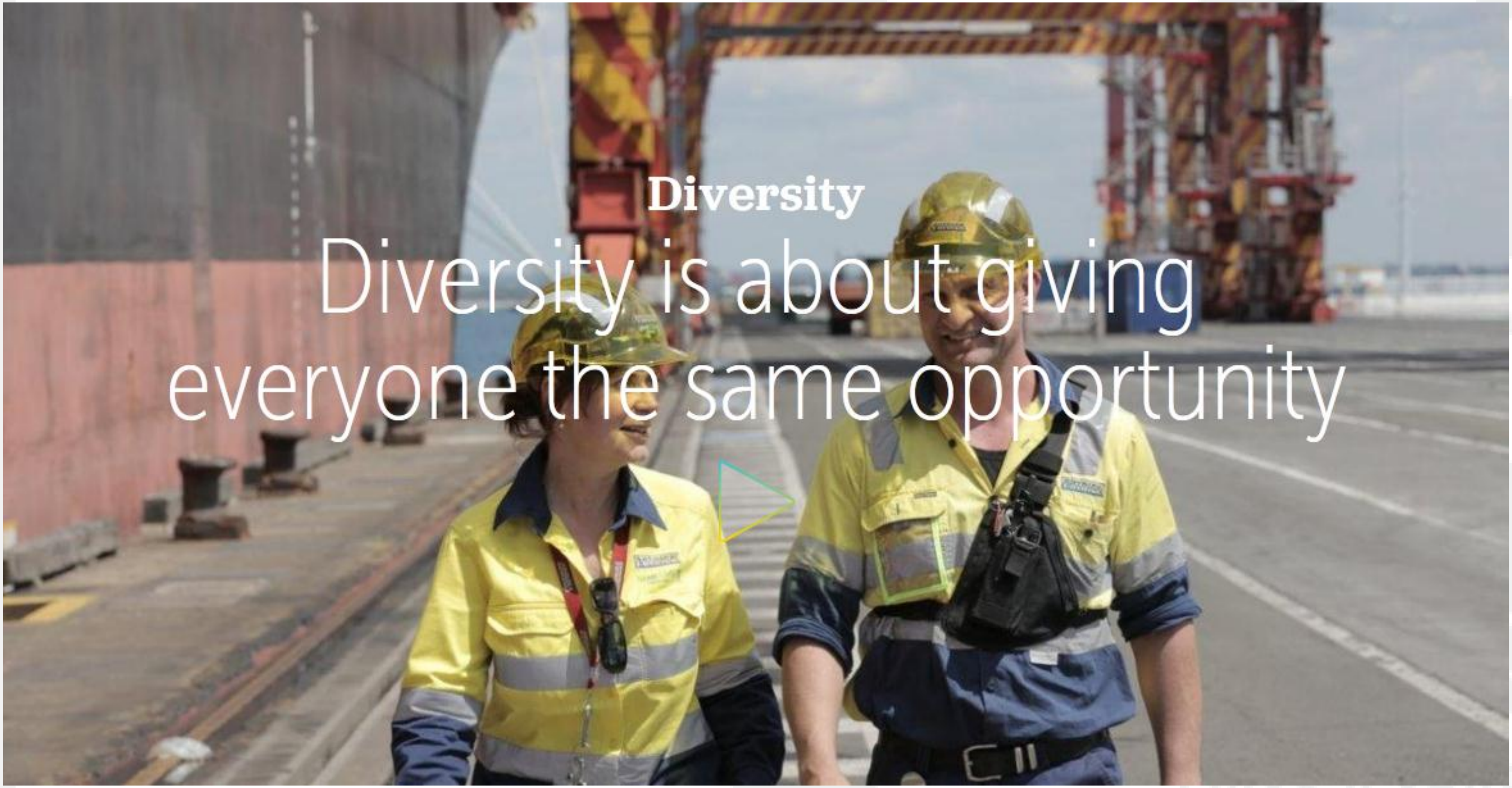
5 Grant of Rights to CEO – 2015 Financial Year

6 Renewal of Proportional Takeover Provisions

CHAIRMAN’S ADDRESS

MR MALCOLM BROOMHEAD

DIVERSITY AT ASCIANO

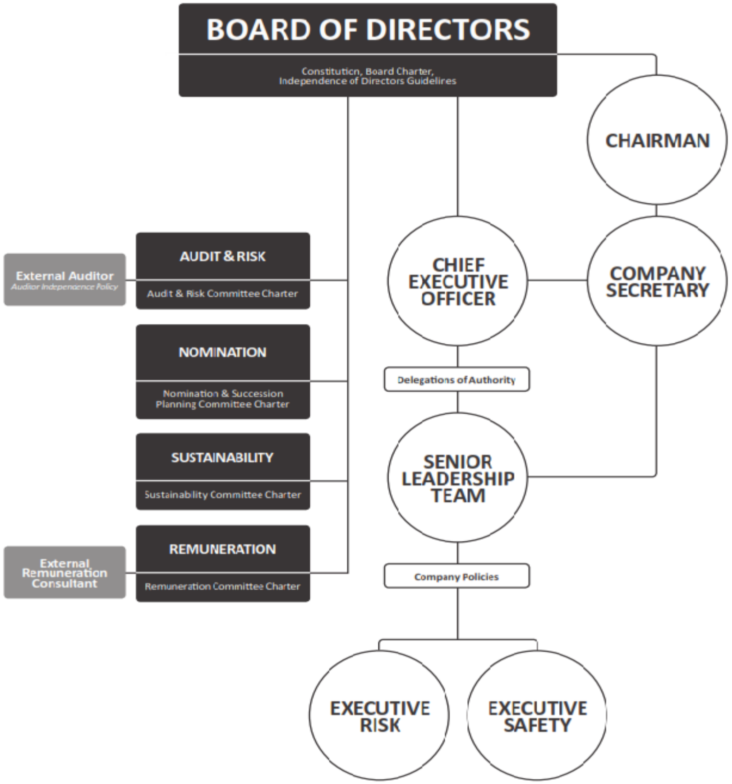


PRODUCTIVITY AND THE AUSTRALIAN ECONOMY

1. More flexible working arrangements
2. Less red tape and better regulation
3. More efficient infrastructure investment
4. Lower taxation

BOARD MATTERS AND CORPORATE GOVERNANCE

Governance Framework



Re-election of Directors

Ms. Shirley Int' Veld

- Appointed in 2010
- Chair of the Sustainability Committee
- Member of Nomination and Succession Planning Committee

Mr. Chris Barlow

- Appointed in 2007
- Chair of the Remuneration Committee
- Member of Nomination and Succession Planning Committee and Sustainability Committee

CEO’S ADDRESS

MR JOHN MULLEN

2014 HIGHLIGHTS

A successful year in the face of challenging market conditions...

Financial Performance

- Group result in line with guidance despite weak underlying conditions
- Underlying EBIT up 5% and EPS growth of 2.3%
- Dividend per Share growth of 23.9% - full year payout ratio of 39.7%

Customer and Business Growth

- Asset replacement programme to be completed by the end of FY15
- FCF after capex +$60m in 2H FY14. Positive FCF forecast in FY15 & FY16
- Five year BIP program doubled in size to $300m and on track
- Organic growth continuing: New customer contracts in all divisions

Ongoing Performance Improvement

- Five year strategic plan remains on track - target metrics still achievable
- Strategic footprint continues to expand; positive recent contributions
- Cost efficiencies and modestly improving volume growth to deliver greater than 5% EBIT growth in FY15

UPDATE ON 5 YEAR PLAN

Asciano is over half way through its 5 year restructuring program set in 2011.
Core deliverables were:

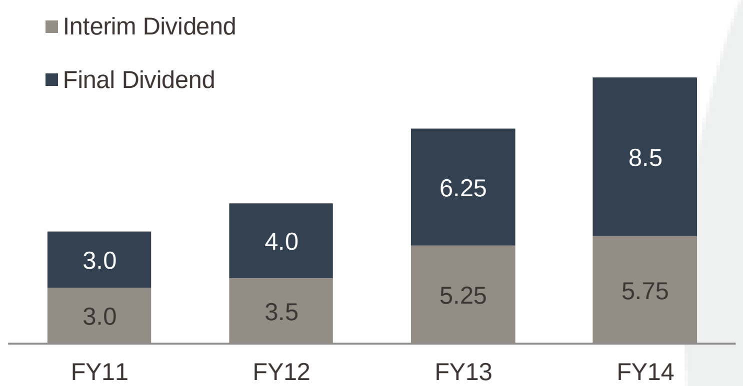
- Phase I: Fundamental company restructure, balance sheet strengthening, and debt restructuring
- Phase II: Business improvement across a wide range of financial and non-financial measures
- Phase III: Strategic development and new sources of growth

PHASE I	**Phase I complete, apart from two key objectives always projected for 2016;** • Sustaining capex back to depreciation levels post capex catch-up to deliver strong free cashflow • Focus on raising the dividend payout ratio to an Australian industrial company standard ***Both of these objectives remain on track despite current economic conditions***
PHASE II	**Phase II has delivered most key non-financial and financial objectives. However:** • Low or negative market growth is currently reducing earnings growth considerably • Softer top line growth has necessitated short term measures to restore earnings growth to plan levels ***Action being taken will restore earnings growth to a higher trajectory***
PHASE III	**Phase III focused on next area of Asciano's growth** • Current focus remains on strategic opportunities and partnerships for Terminals division • No major strategic move will be considered if it compromises cashflow, debt and dividend objectives ***Management still comfortable that viable new growth opportunities remain available***

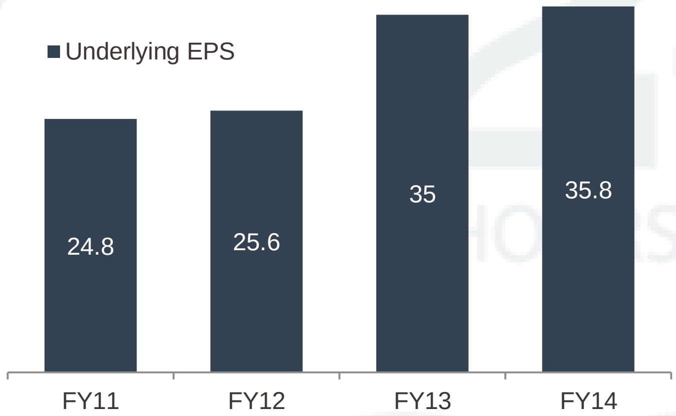
FIRST THREE YEAR HIGHLIGHTS

Despite spending c$1.5b in catch-up capex to restore the company's asset base, shareholder returns have steadily improved

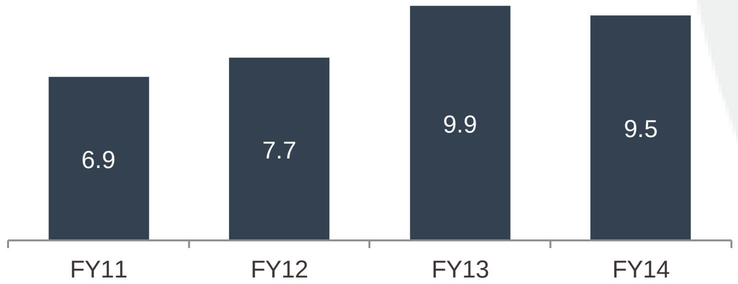
Dividend per share (cps)



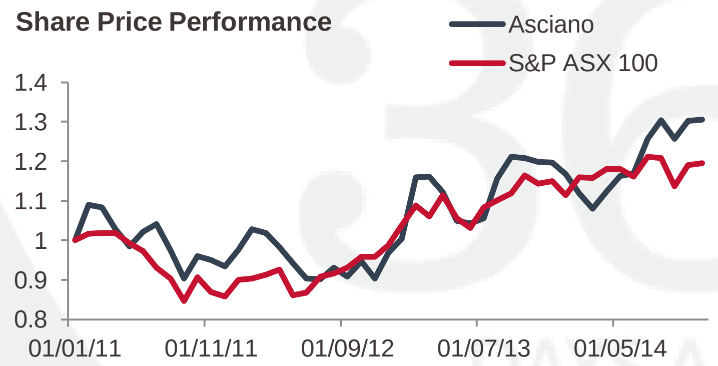
Underlying EPS (cps)



ROE pre material items (%)



Share Price Performance



UPDATE ON PACIFIC NATIONAL

Ongoing excellent performance from the new PN division…

INTEGRATION

- Integration process performing very strongly
- Minimal disruption to customers and operations
- Materially enhanced efficiency and significant cost reduction

ASSET RENEWAL

- Upgraded terminals and new facilities across Australia
- First new generation locomotives for many years
- Complete Queensland infrastructure acquired

GROWTH

- On-going growth despite difficult economic conditions
- Coal volumes remain strong with >5% tonnage growth v pcp
- Intermodal volumes improving albeit still flat v pcp

UPDATE ON TERMINALS AND LOGISTICS

Despite soft market volumes, both earnings and margin growth still expected…

SERVICE DELIVERY

- All time highs in service quality metrics
- NPS score improvement of 22 points highest in the group
- Maintaining market share in face of new competition

ASSET RENEWAL

- Complete renewal of much of T & L infrastructure
- 12 new cranes
- Automation and redevelopment of Botany on schedule

GROWTH

- Market growth still muted at 1-3%
- Nonetheless, earnings and margin growth expected v pcp
- Discussions with strategic partners continuing

UPDATE ON BULK & AUTO PORT SERVICES

Good underlying performance despite weak conditions in most market segments…

SERVICE DELIVERY

- Strong improvement in NPS scores across division
- Autocare NPS highest in Asciano group
- Significant new tractor trailers over least three years

INNOVATION

- Autocare award for safety improvements
- Innovation award to Albany port employees

GROWTH

- Gorgon project wind-down affecting headline growth nos
- Underlying bulk tonnes growth still averaging 4% v pcp
- Limited new growth in core markets over next 12 months

SUMMARY AND OUTLOOK

On track to deliver further growth and improved earnings in 2015…

5 Year Strategic Plan

- 5 year FY16 strategic plan still on track despite flat external markets
- Necessary steps taken this year to restore earnings trajectory
- Goal remains 10%-15% earnings growth over the 5 year life of the plan

Key Outstanding Deliverables

- Completion of capital expenditure catch-up in FY15
- Capex in range of $300m-$400m from 2016, in line with depreciation
- Reduction in leverage to low end of 2.5-3.0x Debt/EBITDA range
- Free cashflow positive from FY15 onwards
- Dividend payout ratio to rise to 50% to 70% range

Future Growth

- Management continue to look for next growth opportunities for Asciano
- However, no steps will be taken that jeopardise the FCF objectives above
- Outlook for FY15 remains for EBIT growth higher than 5%

QUESTIONS


1630 HRS | TUESDAY
PORT KEMBLA, NEW SOUTH WALES
STEVEDORING WIND TURBINES

FORMAL BUSINESS OF THE MEETING

24 HOURS A DAY 365 DAYS A YEAR

HOW TO VOTE

Casting your vote

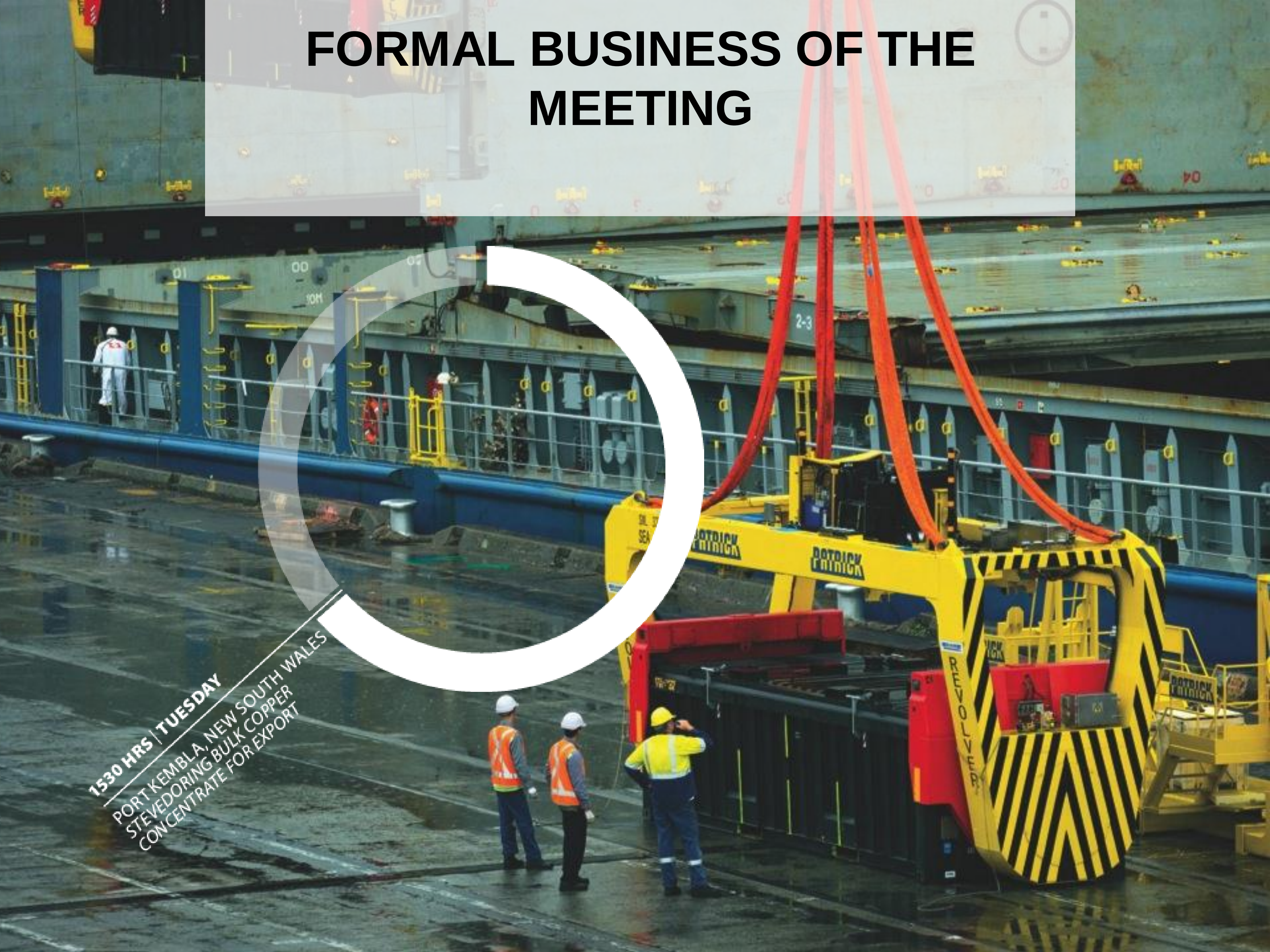
Ensure that the smart card is inserted and that the handset displays a welcome message.

When the poll opens, the handset will display the voting options, being;

- **1** to vote **FOR** the resolution
- **2** to vote **AGAINST** the resolution
- **3** to **ABSTAIN** your vote

Press the appropriate button on the handset to register your intentions

FORMAL BUSINESS OF THE MEETING



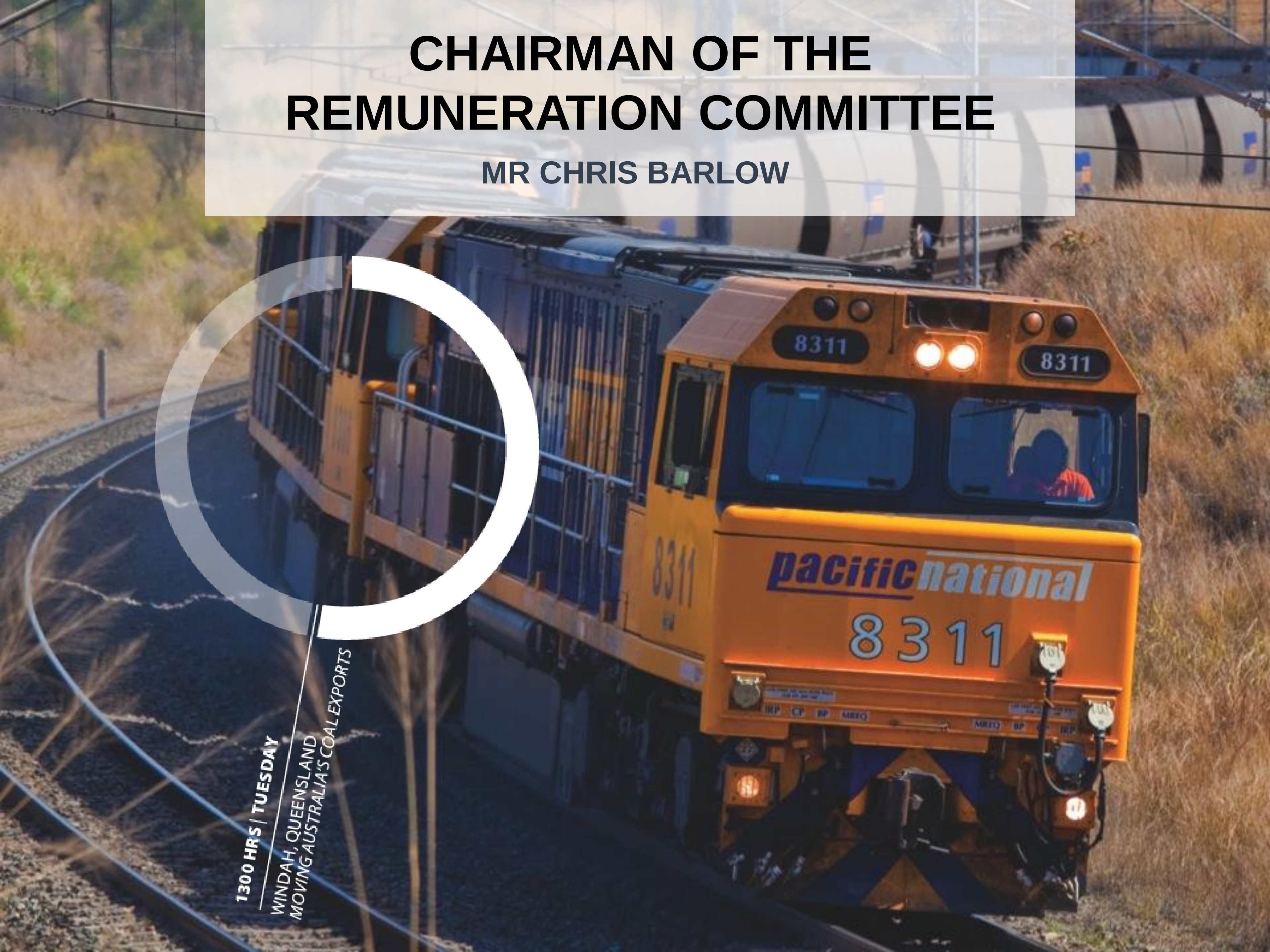
FINANCIAL STATEMENTS & REPORTS

1

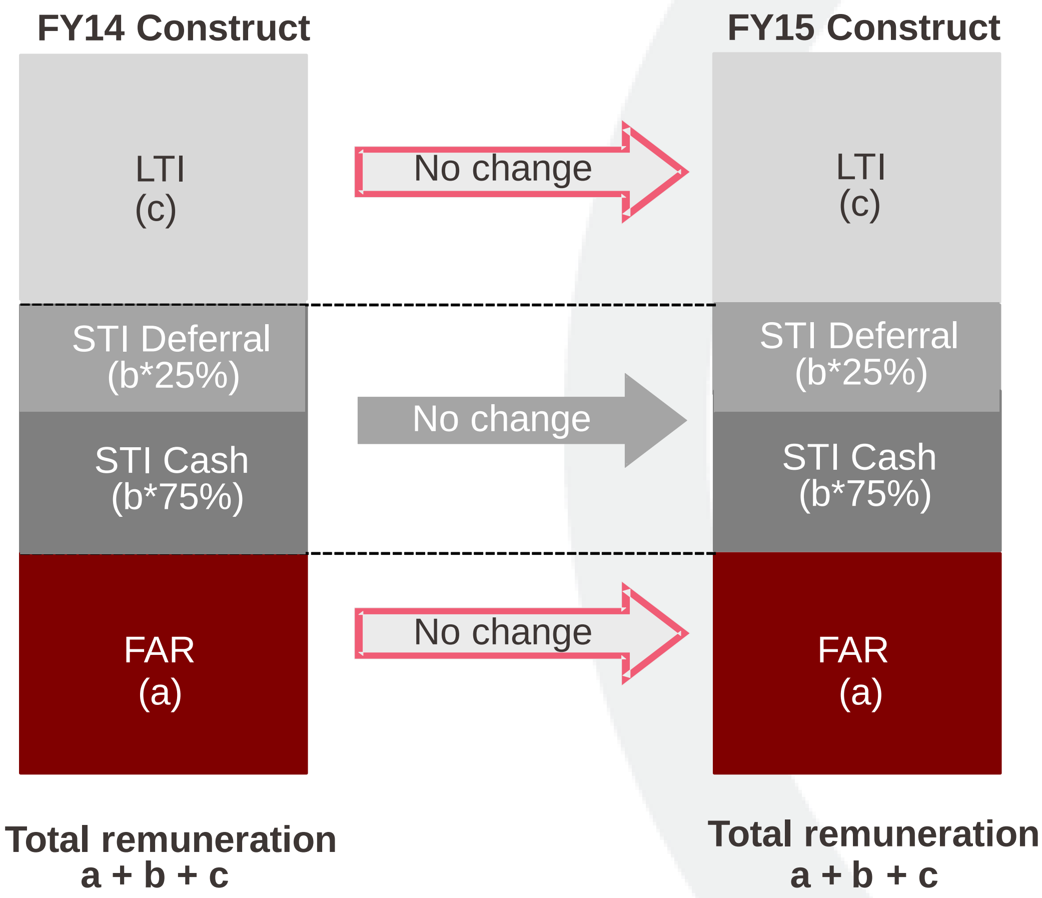
"To receive and consider the consolidated Financial Report of the Company as well as the reports of the Directors and the Auditors for the financial year ended 30 June 2014."

CHAIRMAN OF THE REMUNERATION COMMITTEE

MR CHRIS BARLOW



FY15 REMUNERATION STRUCTURE



STI Measures (No Change)
EBIT
Safety
Customer
Personal Objectives

The asciano group of companies

SHORT TERM INCENTIVE PLAN

Asciano FY14 Short Term Incentive Plan Measures

EBIT	50%	90% of target must be achieved before any payment. Overachievement is uncapped.
SAFETY	15%	Threshold must be achieved for 10% payment. Target 15% payment. Stretch 18% payment. (Progressive payment between Threshold and Stretch)
CUSTOMER SATISFACTION	15%	Threshold must be achieved for 10% payment. Target 15% payment. Stretch 20% payment (Stepped payment between Threshold and Stretch)
PERSONAL GOALS	20%	Each goal weighted. Maximum payment is 20%.

SHORT TERM INCENTIVE RESULTS

Division	EBIT (50% weighting)	Safety (15% weighting)	Customer (15% weighting)	Personal Goals (20% weighting)	STI Outcome
PN*	59%	18% (Stretch)	17% (Above Target)	20% (Target)	114%
Terminals & Logistics	47%	18% (Stretch)	15% (Above Target)	20% (Target)	100%
Ports & General Stevedoring	44%	18% (Stretch)	7.5% (Above Target)	20% (Target)	89.5%
Asciano Group	**47%**	**18% (Stretch)**	**15% (Above Target)**	**20% (Target)**	**100%**

** The PN STI Scorecard results reflect the scorecard of Mr David Irwin which comprised PN Coal's results to the end of Feb 2014 and then the results of the new Pacific National Division from Mar to June 2014.*

LONG TERM INCENTIVE PLAN

FY14 Offer
1 July 2014 – 30 June 2017

50%: Relative TSR	Less than 50th percentile	0% vesting
	Equal to 50th percentile	50% vesting
	Between the 50th and 75th percentile	An additional 2% of Rights will vesting for each 1 percentile increase above the 50th percentile
	Equal to the 75th percentile or above	100% vesting
50%: ROCE	Less than Threshold ROCE	0% vesting
	Threshold ROCE	50% vesting
	Between Threshold and Target ROCE	75% vesting at midpoint between threshold and target
	ROCE target	100% vesting

SENIOR EXECUTIVE TAKE-HOME PAY FY14

	Fixed Annual Rem	Short Term Incentive	Vested Long Term Options	Vested Short Term Options	Total	Take Home Pay – Cash Component	Performance Related Remuneration
CEO John Mullen	1,914,556	1,807,750	144,945	175,041	4,042,292	3,722,306	53%
CFO Roger Burrows	806,558	343,350	-		1,149,908	1,149,908	30%
Director Terminals & Logistics Alistair Field	672,933	281,264	34,667	25,741	1,014,605	954,197	34%
Director Pacific National David Irwin	793,201	614,444	81,758	39,297	1,528,700	1,407,645	48%
Director Ports & General Stevedoring Phillip Tonks	543,024	248,339	49,017	56,104	896,984	791,863	39%

QUESTIONS


1000 HRS | TUESDAY
LAVERTON NORTH, VICTORIA
DELIVERING AUSTRALIA'S CAR IMPORTS
PATRICK
ISUZU