



Wednesday, 24 June 2015

The Manager  
Company Announcements Office  
Australian Securities Exchange  
Level 45, South Tower Rialto  
525 Collins Street  
MELBOURNE VIC 3000

Dear Sir/Madam,

**Re: Presentation to be made at Port Botany and Sydney Freight Terminal Site Tour**

Attached is a copy of a presentation to be delivered by senior executives of Asciano at the Company's container terminal at Port Botany in Sydney and the Company's freight terminal at Chullora in Sydney. In accordance with the Listing Rules, this is for release to the market.

Yours faithfully,

A handwritten signature in blue ink, reading "Lyndall Stoyles".

**Lyndall Stoyles**  
Group General Counsel & Company Secretary

**MELBOURNE**

Level 4, 476 St Kilda Road,  
Melbourne VIC 3004 Australia  
Telephone: +61 3 9248 7000  
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](mailto:info@asciano.com.au)  
[www.asciano.com](http://www.asciano.com)

ABN: 26 123 652 862



# Asciano Limited Site Tour

Port Botany Container Terminal & Sydney  
Freight Terminal

24 June 2015

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- 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.
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# Redevelopment of Port Botany Container Terminal



# PORT BOTANY - OVERVIEW

Port Botany is the major container port in Sydney, servicing the largest population centre in Australia, the most populated state and a major importer of goods and services

## Overview

- Largest container handling facility in New South Wales ("NSW"), Australia's largest economy and home to one third of the nation's population
- Managed by NSW Ports, a consortium consisting of domestic and international fund managers, under a 99-year lease from the NSW Government
- Consists of:
  - ▶ Three container terminals operated by three independent operators: Patrick, DP World, Hutchison
  - ▶ Two bulk liquids and gas berths
  - ▶ Container handling and storage facilities



## Patrick's Operations at Port Botany

- Operates Patrick Container Terminal with a lease that extends to 2043

### Operational Overview

Patrick Container Terminal	<ul style="list-style-type: none"><li>■ Currently operates Berth No.'s 6, 7, 8 and 9</li><li>■ Current capacity of 1.6m TEUs p.a.</li><li>■ Total terminal area: 63 hectares</li><li>■ Equipment includes 8 quay cranes (7 twin-lift and 1 single-lift), as well as 45 straddle carriers and a number of reach stackers and forklifts</li></ul>
Botany Park	<ul style="list-style-type: none"><li>■ Specialises in storage, handling and repair of empty containers (can store up to 5,200 TEUs)</li><li>■ Separate Customs Bond area can store up to 1,400 TEUs</li><li>■ Also provides quarantine tailgate inspections, fumigation and freight station services</li></ul>
Botany Depot	<ul style="list-style-type: none"><li>■ Provides wharf transport as well as pack / unpack services</li><li>■ Customs Depot licenced and AQIS Accredited</li></ul>
Botany Rail	<ul style="list-style-type: none"><li>■ 2 x 590m dual track lines</li><li>■ Capacity of 400-500,000 TEUs pa based on existing operations</li></ul>

# REDEVELOPMENT DELIVERS COMPETITIVE ADVANTAGE



The redevelopment of Port Botany is delivering improved safety, customer service, operational efficiency and productivity, strengthening Patrick's competitive position in the Australian stevedoring landscape

Pre redevelopment		Post redevelopment	
Lease Term:	2023	Lease Term:	2043
Terminal area:	45.6ha	Terminal area:	63.2ha
Quay Line:	1,000 mtres	Quay Line:	1,400 mtres
Berth Space:	3 berths	Berth Space:	4 berths accommodating vessels of up to 347m (~8,000 TEUs)
Equipment:	7 cranes	Equipment:	8 cranes includes 3 new Liebherr cranes
TEU Capacity:	1.2m TEUs pa	TEU Capacity:	1.6m TEU pa (2.8m TEU capacity with investment in stacking cranes)
Labour nos:	511 total On-wharf 462	Labour nos:	270 total On-wharf 211





# HOW DOES THE AUTOMATION TECHNOLOGY WORK?



- Autostrad® system is based on a conventional manned straddle carrier (Port Botany AutoStrads are late generation Kalmar 3 high straddle carrier)
- Two important concepts, position and movement
  - Positioning achieved through millimetre wave radar - accurate to 2 centimetres
  - Movement achieved through use of node paths on a virtual map - nothing in the ground
- Safety and anti collision functionality operates at various levels on the machines and throughout the secured terminal yard
- All equipment, yard and activity is fully controlled and optimised by a real time computer system that ensures the most efficient allocation of Autostrad® resources

# BENEFITS OF AUTOMATION

- **Safety**
  - LTIFR expected to initially drop by over 40% (current straddle injuries)
  - Based on improvements in Brisbane, could drop by up to 90%
  - No LTI since April cutover - longest period in the Port Botany container terminals' 40-year history
- **Productivity and efficiency**
  - Introduces predictable, process-driven reliability into stevedoring thus improving customer performance
  - Lower operating costs
  - Enhanced equipment efficiency, 20% less fuel and maintenance savings
  - Line marking no longer required for placing boxes
  - Freight damage from human error minimised
  - Increased longevity of assets (e.g. by moving container stacks)
  - Better environmental performance and cost savings (e.g. no lighting required)
- **Complete focus on the quay line - 4 people crane gangs**
  - Manual straddle operation. 7 - 8 people in a gang (2 or 3 straddles)
  - Forklift and trailer operation. 11 -13 people (3 or 5 trailers)
  - Delta terminal Rotterdam. 6 in a gang (automated)
  - Patrick Autostrad® operation. 4 in a gang (as many straddles as needed)

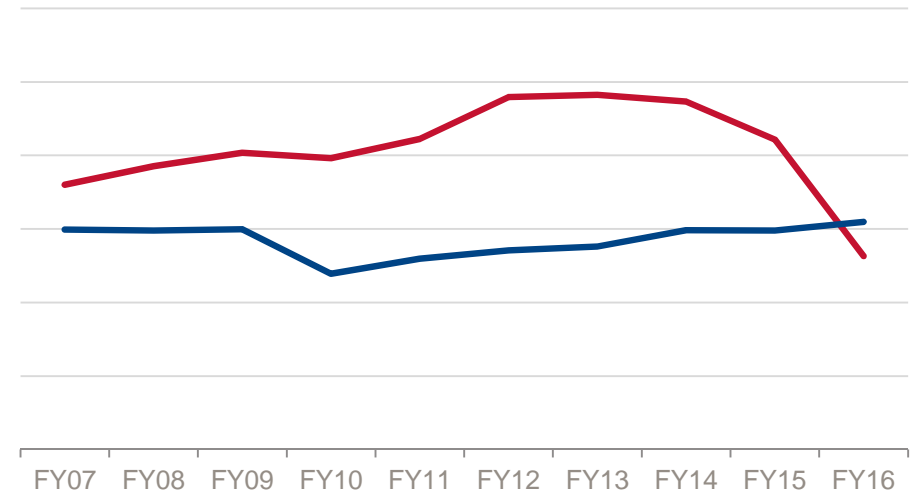


# SIGNIFICANT COST ADVANTAGE

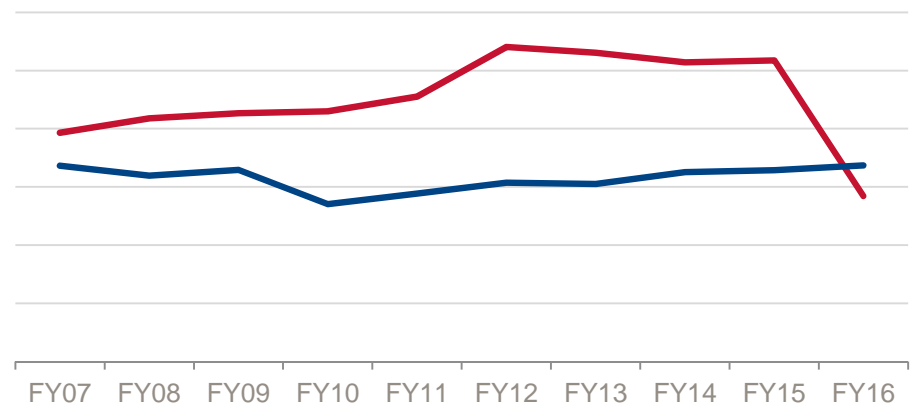


- Brisbane labour KPIs improved significantly since automation in 2006
- Patrick Brisbane: from 350 to 147 operational employees
- World leading production rates have been achieved with the automation technology
- Sydney is a replica of Brisbane but at twice the scale
- Brisbane improvement was gradual. The expected change at Sydney will be far quicker even though it will take place at an operating site which is more complex

Labour Cost vs. Revenue  
(Labour cost as % of revenue)  
**Port Botany** v **Fisherman Islands**



Labour Cost Per Lift (AUD/lift)  
**Port Botany** v **Fisherman Islands**



# PATRICK STRATEGIC ADVANTAGE

		Patrick	DPW	HPH	ICT – 2018	Flinders
Berths*	Brisbane	3	3	2		
	Sydney	4	3	4		
	Melbourne	3	3		2	
	Adelaide	Rail Bridge				2
	Fremantle	2	2			
Quay Line	Brisbane	930m	900m	660m		
	Sydney	1,400m	936m	1,300m		
	Melbourne	885m	944m		661m	
	Adelaide	Rail Bridge				649m
	Fremantle	766m	526m			
Quay Cranes	Brisbane	5	4	3		
	Sydney	8	7	4		
	Melbourne	7	8		5	
	Adelaide	Rail Bridge				4
	Fremantle	4	4			
Yard Area & mode	Brisbane	39 Ha/Autostrad	36Ha / ASC	26Ha / ASC		
	Sydney	62Ha /Autostrad	40Ha / RTG	46Ha / ASC		
	Melbourne	40 Ha / Straddle	49Ha / Straddle		34Ha / ASC Likely	
	Adelaide	Rail Bridge				24Ha / Strad
	Fremantle	22Ha / Reach stacker	13Ha / Straddle			
Empty Logistics Services	Brisbane	YES	NO	YES		
	Sydney	YES	YES – VIP only	YES		
	Melbourne	YES	NO	NO	Likely	
	Adelaide	Rail bridge				YES
	Fremantle	YES	NO	NO		

Rail Bridge: Asciano operates a container rail service from Port of Melbourne to Adelaide container terminal

\* Based on the average size of vessels in the current trade

# PATRICK CRANE FLEET



Patrick has the most capable crane fleet in Australia with the greatest number of new, fast and highly capable cranes

## Key Features

Patrick has reinvested significantly in the past 3 years

Fleet size of 24

Average crane age of 6 years

Crane technology is reviewed periodically with investment to provide efficiency step changes balanced with fleet harmony

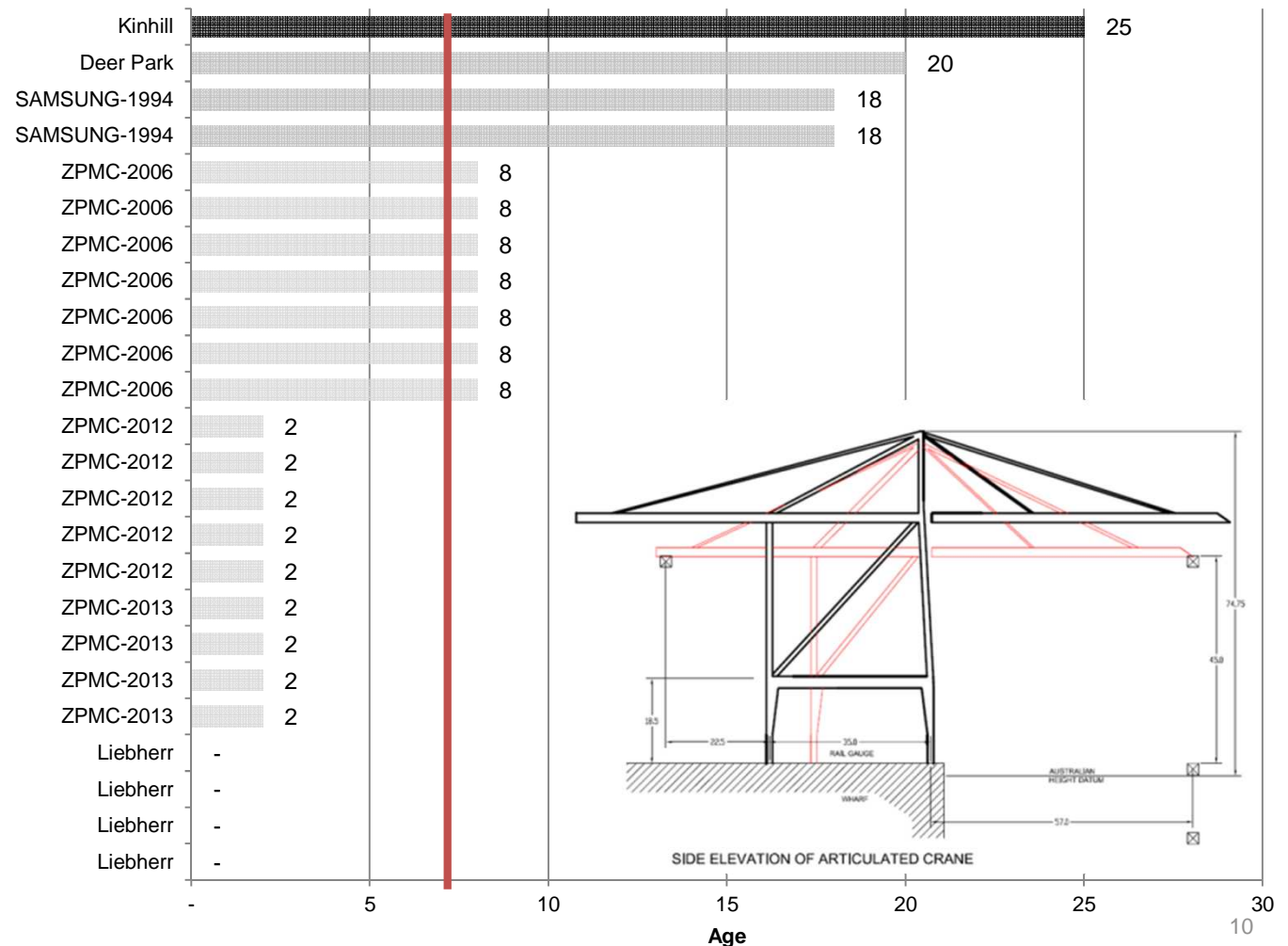
The most recent purchase of Liebherr articulated boom cranes see Patrick introduce the largest container cranes in Australia with a 30% improvement in speed compared to the current cranes

Straddle fleet of 111 with an average age of 6 years with 70% of the fleet automated

The 111 straddles handle approx. 2.5M TEU of containers each year

Annual Productivity  
Patrick Straddles: 22.5K TEU/Strad

## Crane Fleet Age





# NATIONAL OPERATIONS CENTRE



Patrick is the only container terminal operator in Australia with a National Operations Centre. The National Operations Centre is core to Patrick's customer value proposition

- Vessel Scheduling
- Vessel Planning
- Trade Coordination (Single Point of Contact)
- Invoicing for Terminals and Logistics
- Business Analysis (Volume Forecasting / Reporting)
- Continuous Improvement / Operational Excellence
- Live KPI tracking / Visibility of Terminals



## Minimise shipping line costs

- Minimise ships bunker spend
- Optimise berth on arrival

## Optimise terminal efficiency

- Optimise crane intensity
- Optimise stow profile
- Labour cost / allocation management
- Minimal touch points



A photograph of a Pacific National orange and blue locomotive, numbered 8112, positioned at a freight terminal. The locomotive is pulling a blue container train. Two large yellow rubber-tired gantry cranes (RMG-2) are visible in the background, with the Pacific National logo on their side. The sky is blue with scattered white clouds. The text "Pacific National" and "Sydney Freight Terminal - Chullora" is overlaid in white on the lower left portion of the image.

# Pacific National Sydney Freight Terminal - Chullora

# AGENDA

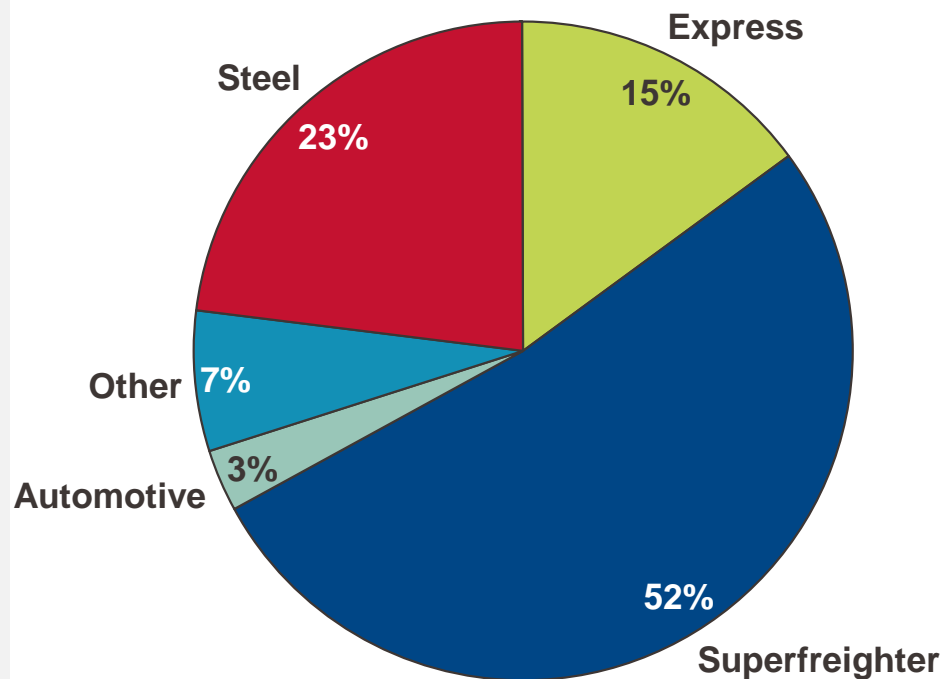


1	FY 15 Intermodal Business Review
2	Coastal Challenge
3	Sydney Freight Terminal Expansion
4	Chullora Port Shuttle
5	Melbourne Freight Terminal Expansion
6	Adelaide Freight Terminal Upgrade
7	Freight Terminal Mobile Equipment Upgrade
8	Perth Terminal Cargo Link Update



# FY15 BUSINESS REVIEW

## National Intermodal Rail Revenue Split 9 months to end of March 2015



- Superfreighter Volumes – 9 months to March 2015
  - 4% down compared to pcp FY14. Revenue in line with pcp FY14 due to a more favourable rate mix
- Steel Volumes – 9 months to March 2015
  - Tonnes hauled in line with pcp FY14, however NTKs are down 2% with pcp FY14
- Express Volumes – 9 months to March 2015
  - YTD 6 % down compared to pcp FY14
- Automotive Volumes – 9 months to March 2015
  - YTD 16% down compared to pcp FY14

# REVISED TRAIN PLAN AND INTEGRATED SERVICES



## Revised Train Plan

- Withdraw underutilised trains on the East West and North South Corridors
- Maximise Double Stacking from Adelaide and increasing the use of Parkes for double stacking
- Commenced 1800m Trains departing Melbourne
- Combined Pacific National and Patrick Melbourne/Adelaide Services
- Ettamogah hub serviced using Interstate Superfreighter services ( Regional Hub)
- Growth in Sydney/Brisbane Corridor
- Revised Locomotive haulage plan decreasing number of loco's deployed

## Fast Track Integrated Services

### Combined Superfreighter and Steel Services

- East Coast service integration decreased trains but increased service frequency with Steel and Superfreighter services operating on the same train
- East/West decreased number of primarily Steel services and load Steel on other intermodal services increasing loco utilisation and train efficiency

### Express/Superfreighter service integration

- Express services linked to pick up Superfreighter service allocation bringing utilisation up and reducing trains

# COASTAL CHALLENGE

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## Coastal Challenge

Relaxation of coastal trade restrictions has encouraged liner activity in the coastal market and some customers have moved volume onto sea or are testing market rates with a 10 to 12 day transit time compared to 3 to 5 on rail on a like for like basis

## Pacific National's response

- Targeting large customer packets with a flexible service offering at a competitive rate where the container is not booked against a pre-determined service i.e., loaded at Pacific National's discretion on existing services where capacity exists
- Unit cost review, funded through operational improvements, double stacking, crewing reviews (faster transits, reduced crewing/slower transits, available crewing pockets)
- Investigate the expansion of distributed power which will reduce operating costs (fuel/maintenance)



# SYDNEY FREIGHT TERMINAL - EXPANSION



# SYDNEY FREIGHT TERMINAL - EXPANSION



# NEW RMG CRANES – THE IMPROVEMENTS

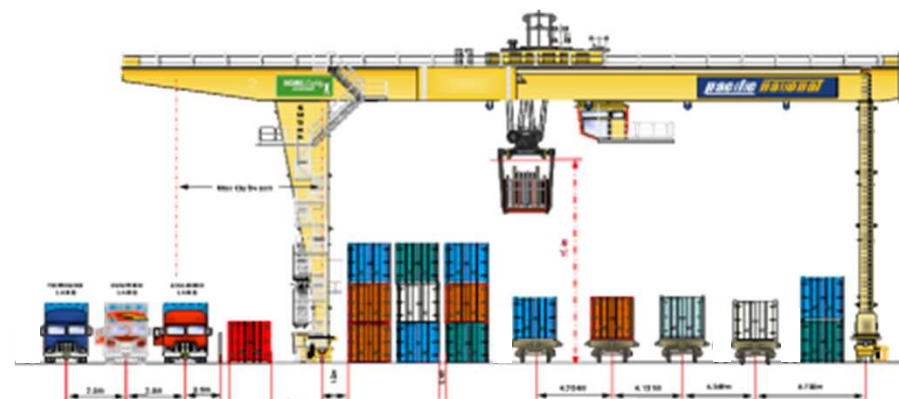


SPEC.	CURRENT RMG	NEW RMG
Rated Load	33T	41T
Long Travel speed	72m/min	150m/min
Cross travel speed	42m/min	120m/min
Hoist speed	14.7m/min	60m/min
Height	1 over 1	1 over 4

- Safer – cantilevers allow trucks to be separated from crane and rail
- Can lift up to 41T
- Twice as fast when travelling and hoisting
- Can rotate both cabin and load to handle 60ft containers (to meet market demand)
- Can block stack under the crane, up to 4 high x 600m, AND directly adjacent to truck loading area (cantilevered arms)
- Cheaper per lift (uses less energy – 11kV), cheaper to maintain (new equipment)
- Capable of further automation of operation



**SFT – dual cantilever**



**MFT – single cantilever**



# SYDNEY FREIGHT TERMINAL EXPANSION

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# SYDNEY FREIGHT TERMINAL - CHULLORA





# CHULLORA PORT SHUTTLE

- Pacific National commenced port shuttle on 17th June to Port Botany
- Capacity of ~ 90 TEU per service or 180 TEU per round service
- Initially 3 services per week moving to one service per day in the coming months
- Chullora has capacity for three services per day
- Granted use of Industrial Branch line adjacent to site to store port shuttle trains overnight



# MELBOURNE FREIGHT TERMINAL EXPANSION



- Full use of the runway 760m is planned for Nov 2015, 380m (50%) runway usable on 19th Oct 2015
- Steel Products operation at MFT is planned for 31st July
- MFT overall capacity with 2 RMGs alone is 250K TEUs
- Supported with 5 Reachstacker capacity is up to 600K TEUs

- RMG 1 endurance test completed June 9th
- RMG 2 endurance test completed June 21st
- MFT RMG's practical completion planned for 27th June
- MST Relocation – Major Coke Rd duplication works and red card wagon spur completed June 20th

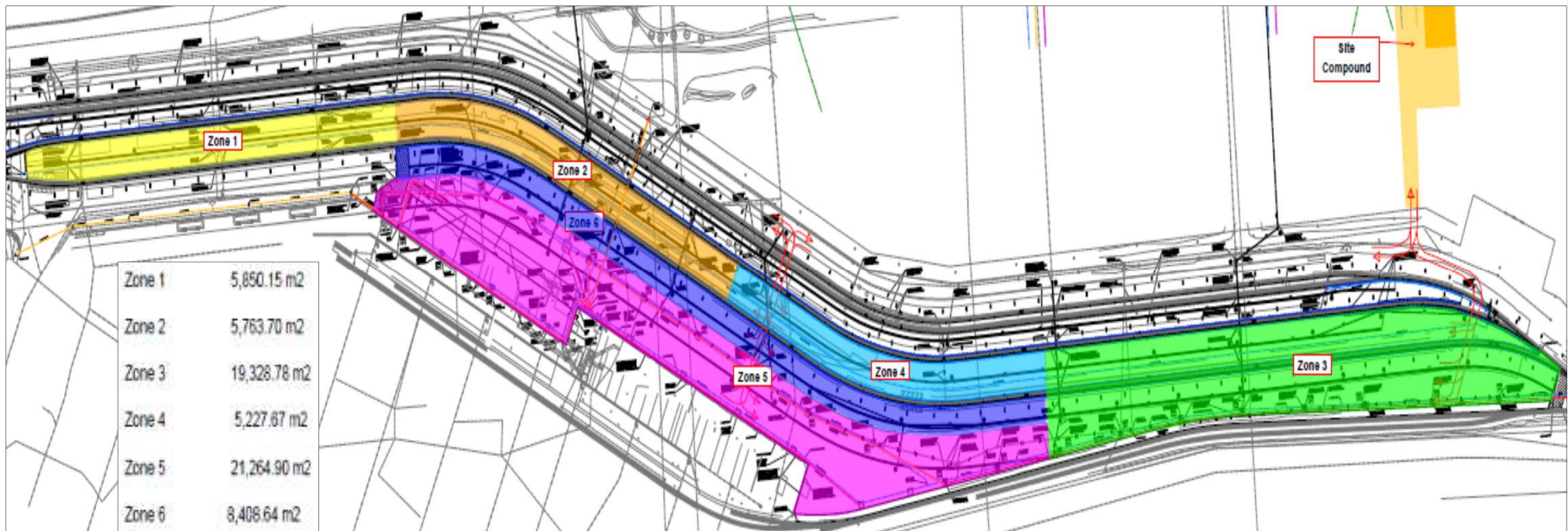




# ADELAIDE FREIGHT TERMINAL EXPANSION



- Staging was reviewed at length in risk workshops with the Contractor, Project Team and AFT Operations prior to contract award
- Scope comprises 3 stages by area, treated as separable portions of work
- Agreed approach involves a Principal Contractor Controlled (PCC) area of 600m length (pavement works) progressing via a rolling 300m work front
- Up to 5 additional smaller groups complete enabling (satellite) works under PN work permits in the operational areas of the terminal in advance of pavement works
- Civil works will be completed by October 2015 which will give the terminal greater options to double stacking





# ADELAIDE FREIGHT TERMINAL EXPANSION

- Completed pavement Zone 1 & Zone 2 – Intermodal 2 – May 2015



# MOBILE EQUIPMENT UPGRADE



# MER-MOBILE EQUIPMENT

- National Intermodal have replaced 39 forklifts, reachstackers and heavy materials handling equipment across all 6 intermodal terminals. Expenditure associated with this project is over \$30 million across the 5 year fully maintained operating lease. The MER investment will ensure we can continue to provide and improve on the level of quality of service to our customers while concurrently increasing the safety and comfort of our operators
- In the single largest order in Australian history, 33 new reachstackers and forklifts will be delivered, commissioned and handed over to intermodal operations along with training and complete maintenance support services





# MER-MOBILE EQUIPMENT





# LINFOX DEVELOPMENT AT KEWDALE



June 2013



August 2014

# LINFOX DEVELOPMENT AT KEWDALE

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