



ASX ANNOUNCEMENT

Tuesday, 25 November 2008

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

Deutsche Bank Transport Conference

Please see the attached presentation given by Peter McGregor, Chief Financial Officer at the Deutsche Bank Transport Conference earlier today.

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

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

ASCIANO GROUP

DEUTSCHE BANK TRANSPORT CONFERENCE

November 2008

© Asciano Limited. Level 6/380 St Kilda Road Melbourne Vic 3004



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.

ASCIANO – A SNAPSHOT



asciano 

ASCIANO – OUR BUSINESS

asciano

PATRICK



Container Ports



Auto, Bulk & General

***pacific*national**



Intermodal



Coal/Bulk Rail

asciano

2007/08 - DELIVERING ON OUR RESULTS...

Total Revenue*	↑ 5%	\$2,814.2m
Reported EBITDA	↑ 10%	\$677.7m
52 week EBITDA*	↑ 11%	\$652.9m
EBITDA Margin*		23.2%
Net Profit Before Tax and Significant Items		\$37.1m
Distributions per Security		46¢



* Revenue and EBITDA figures are for the period 1 July 2007 to 30 June 2008

... AND DELIVERING ON OUR STRATEGY

1. Focus on Core Business

- ✓ Brambles stake divested
- ✓ Commitment to ports and rail

2. Maximise Returns from Existing Business

- ✓ Grain business restructured
- ✓ Proposed divestment of Tasmanian rail business
- ✓ Efficiency review commenced

3. Leverage Operating Capability into New Opportunities

- ✓ Queensland coal contracts signed
- ✓ Preferred Bidder for Saudi LandBridge

4. Optimise Capital Structure

- ✓ \$270m reduction in gross debt since December 2007
- ✓ New initiatives announced to fund growth



An aerial photograph of an industrial facility, possibly a power plant or refinery, with various structures, pipes, and walkways. The name 'PATRICK' is visible on a large structure in the upper right, and 'MAN' is visible on a structure in the lower right. The image is overlaid with a semi-transparent blue filter and white geometric lines.

SEPTEMBER QUARTER UPDATE

asciano 

PATRICK – CONTAINER PORTS

	Sept 08 Qtr	Sept 07 Qtr	Change
Container Lifts ('000)	504	481	+4.8%



- Underlying industry volume growth remained robust during quarter (+9%)
- Changes to shipping consortium composition decreased Patrick market share by 2% of total (4% of Patrick volumes)
- Sydney & Fremantle volume growth slightly above overall level, with Melbourne & Brisbane slightly below

PATRICK – AUTO, BULK and GENERAL

	Sept 08 Qtr	Sept 07 Qtr	Change
Autocare:			
Vehicles Carried ('000)	290	294	-1.5%
Vehicle Storage Days ('000)	4,109	2,748	+49.6%
Bulk/General Tonnes ('000)	7,400	6,389	+15.8%



- Slight reduction in vehicles carried, reflecting softening new motor vehicle sales nationally during quarter
- Continued imports/stevedoring volumes resulting in significant increase in vehicle storage volumes
- Bulk/general tonnes stronger due to growth in commodity (fertiliser, timber, woodchips, aluminum) volumes offsetting slightly weaker steel volumes

PACIFIC NATIONAL - INTERMODAL

	Sept 08 Qtr	Sept 07 Qtr	Change
Net Tonne Kilometres (m) (excl. Tasmania)	6,718	6,652	+1.0%



- Overall volume growth slightly below 07/08 full-year level (2%)
- Key factor was disruptions due to derailments on interstate standard-gauge network during quarter
- Continued strong growth in Express and steel business
- Additional weekly Express service added during second quarter

PACIFIC NATIONAL BULK

	Sept 08 Qtr	Sept 07 Qtr	Change
Coal NTKs (m)	3,369	3,029	+11.2%
Grain/Industrial NTKs (m)	762	749	+1.7%



- Continued strong demand for export coal and record coal prices driving customer demand
- 9% growth in Hunter Valley export tonnes supplemented by slight increase in average haul length
- Coal volume growth assisted by infrastructure improvements completed during June quarter
- Stronger domestic grain volumes offset slight decline in industrial volumes

OUTLOOK



asciano 

DIVISIONAL OUTLOOK

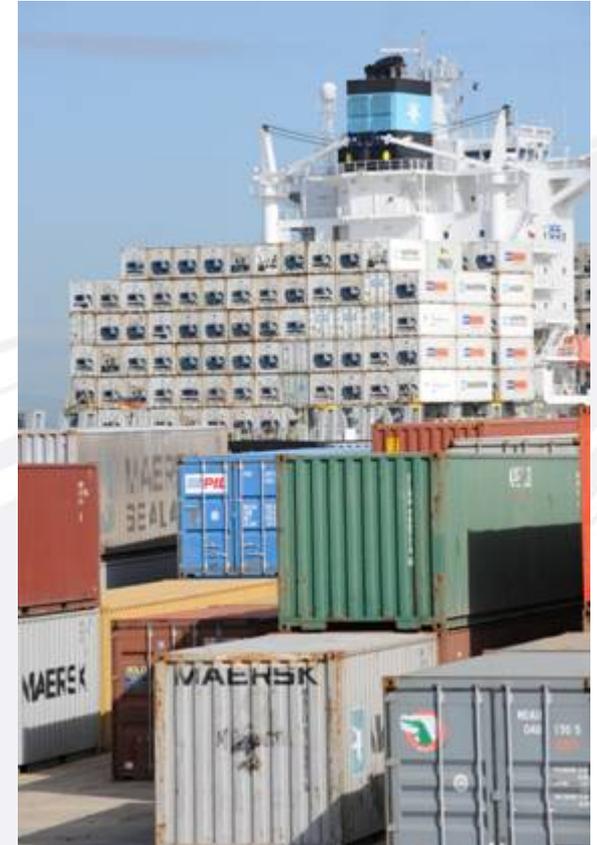


Containers

- Long-term container volume growth trends expected to continue
- Some uncertainty over June-half volumes given consumer/business sentiment
- Ongoing efficiency gains through cost management, AutoStrads (Brisbane) and RMGs (Sydney)

Bulk / Auto

- Short-term declining new vehicle sales offset by increased storage revenue
- Long-term auto volumes expected to remain solid following closure of local manufacturing plants
- Bulk volumes expected to recover due to improved agricultural commodity exports
- Repositioning Grain and Industrial businesses to capitalise on bulk Port / Rail opportunities



DIVISIONAL OUTLOOK

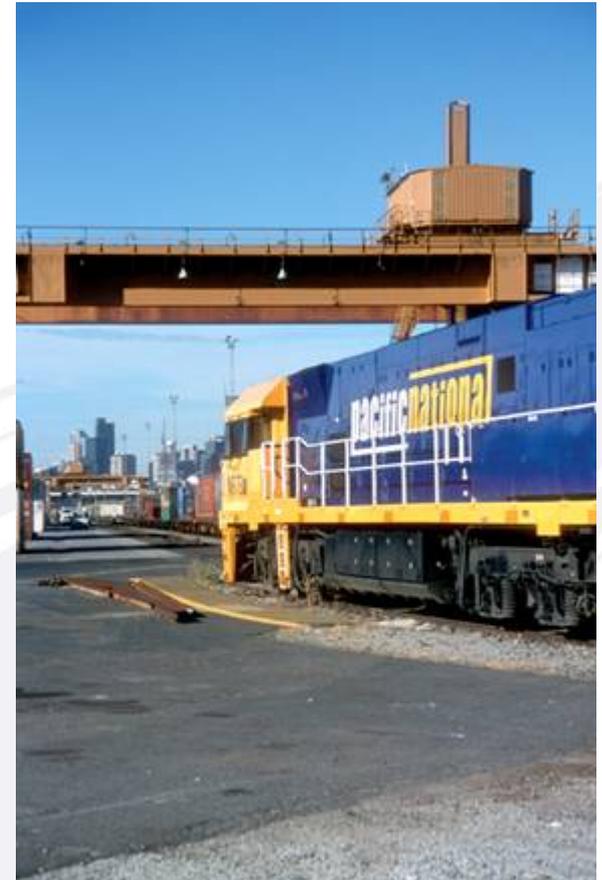


Intermodal

- Continued customer demand and key contracts executed in past 12 months should underpin growth
- Expansion of Express capacity to meet growing customer demand
- Full year impact of new steel contract in 08/09
- Economic uncertainty, increase in fuel prices and focus on carbon emissions expected to drive further modal shift from road to rail

Bulk

- Hunter Valley coal demand expected to remain robust
- Full year of benefit of additional capacity (three new trains) in Hunter Valley in 2008/09
- Review of Hunter Valley capacity should address supply chain issues
- Significant turnaround in grain profitability due to GrainCorp / Manildra take or pay contracts and expectations of a reasonable grain crop



An aerial, high-angle photograph of an industrial facility, possibly a power plant or refinery. The image is rendered in a dark, monochromatic blue-grey color scheme. In the upper right, the word 'PATRICK' is visible in large, bold, white letters. In the lower right, the 'MAN' logo is visible, consisting of the letters 'MAN' inside a white circle. The facility features various structures, pipes, and walkways. A large, stylized white arrow graphic points from the bottom right towards the center of the image.

POSITIONING ASCIANO FOR GROWTH

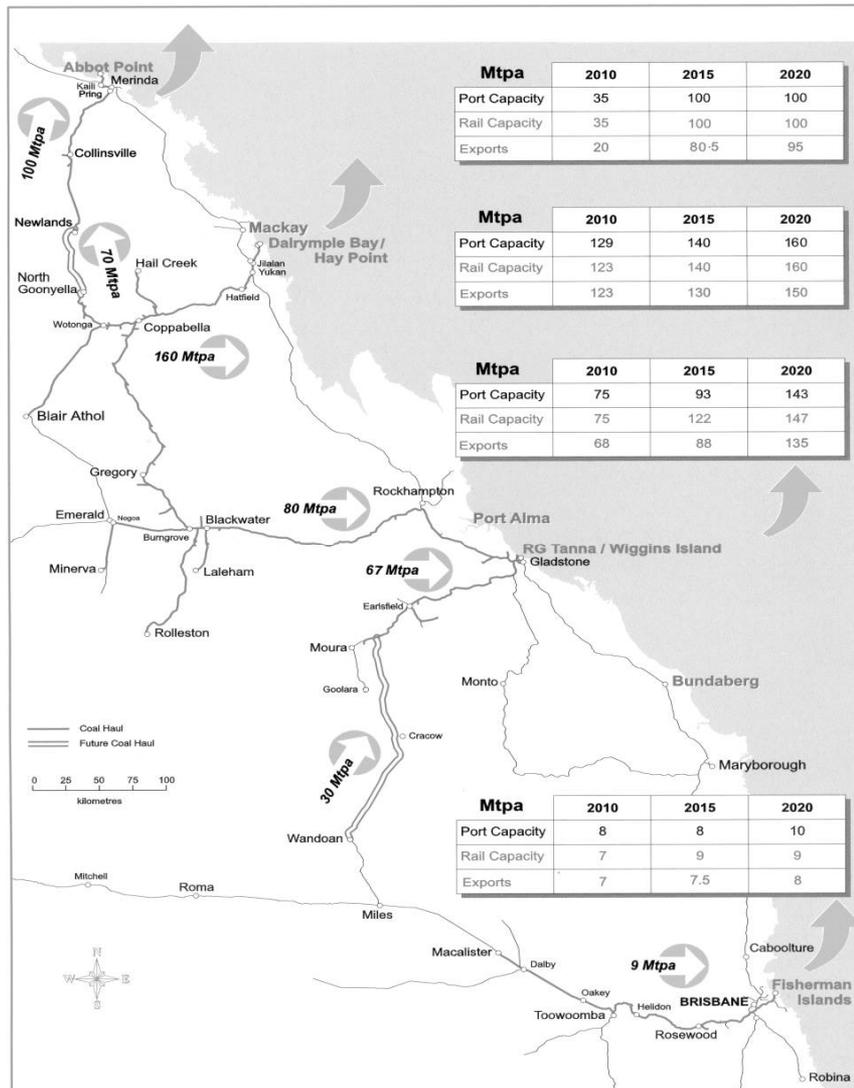
asciano 

BANK FACILITIES

- Gross debt outstanding reduced by \$270 million between December 2007 and June 2008
- 95% of total facilities mature in May 2010 or later
- Asciano in compliance with all covenants
- No covenants relating to security price/market capitalisation

Facility	Maturity	As at 30 June 2008	
		Drawn	Undrawn
Syndicated Term Loan	May 2010	\$2,250m	-
Syndicated Term Loan	May 2012	\$2,250m	-
Capex Facility	May 2010	<u>\$154m</u>	<u>\$396m</u>
Bank Debt Outstanding		\$4,654m	\$396m
Bank Guarantees / Letters of Credit	May 2009	\$189m	\$69m
Available Limits			<u>\$465m</u>
Cash on Hand			<u>\$120m</u>
Available Liquidity			<u>\$585m</u>

QUEENSLAND COAL – KEY GROWTH OPPORTUNITY

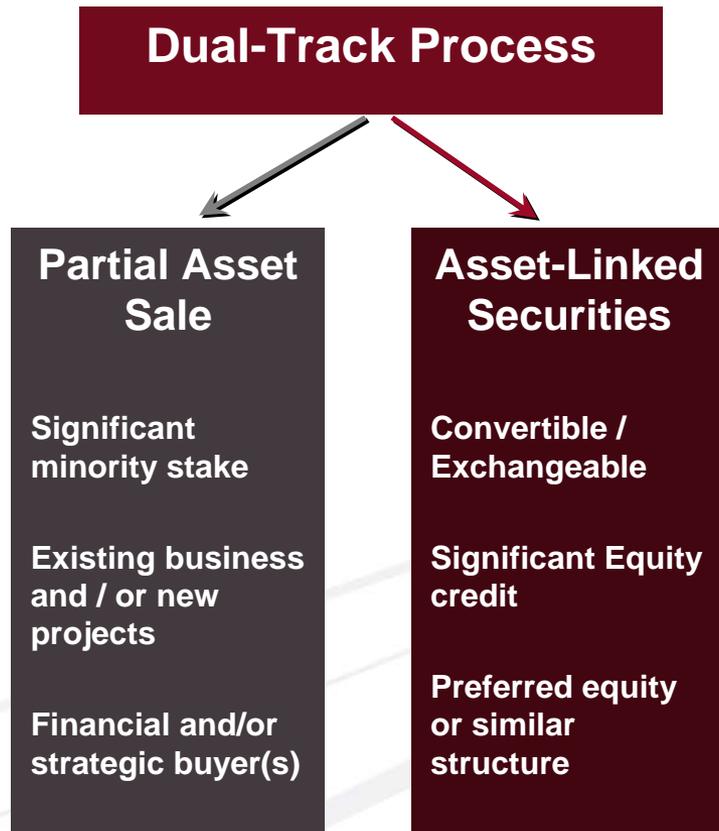


- Asciano to enter Queensland coal market on January 2010
- Initial contract for 14.2 mtpa with Rio Tinto and Xstrata for period of ten years
- Total capex requirement of \$580m by 2010 (\$380m for contracted volumes, \$200m for additional volumes and future growth)
- Queensland coal exports expected to grow from 185 mtpa to over 300 mtpa by 2015 and over 380 mtpa by 2020.
- Pacific National will have an excellent base on which to build market share

ASCIANO CAPITAL REVIEW – INITIATIVES TO DATE

- Revised Distribution Policy
 - Distributions fully-funded from cash flow after maintenance capex
- Underwritten SPP completed
- 2008/09 DRP underwritten
- Deferral of 2008/09 interim distribution
 - Guidance unchanged, but will all be paid as a final (August 2009)
 - Ensures DRP securities not issued at a price that is dilutive to security holders
- Commencement of 'Business Unit Monetisation' process

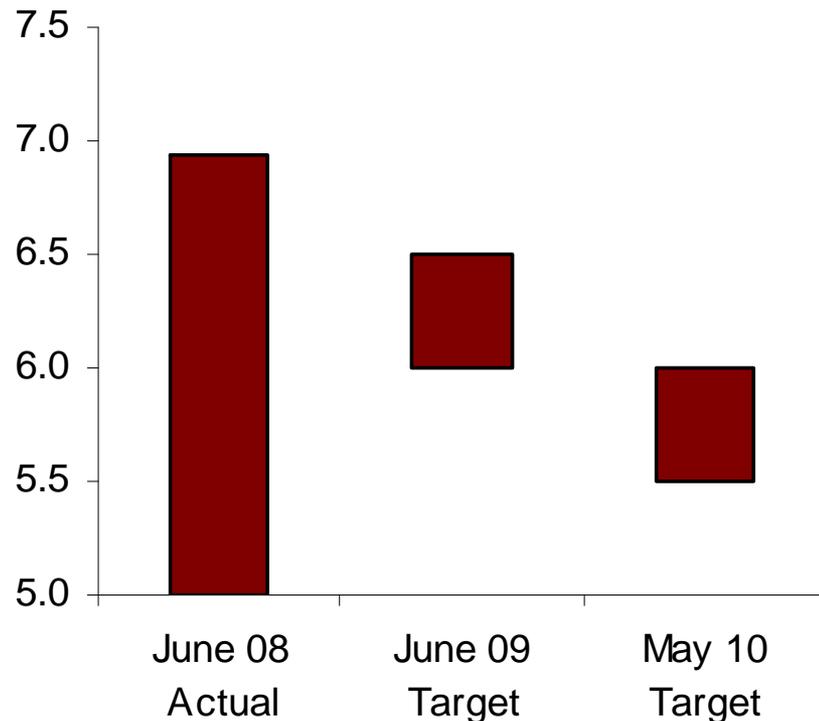
BUSINESS UNIT MONETISATION



- Provides an opportunity for Asciano to:
 - secure long-term, cost-effective funding for new growth opportunities
 - maintain management control of all existing business units
 - establish new strategic partnership(s) to drive future opportunities
- Timing and final structure will depend on market conditions, with no requirement for additional liquidity during 2008/09
- Final execution subject to acceptable terms and pricing.
- Following completion, Asciano expects to suspend its Distribution Reinvestment Plan

MEDIUM TERM LIQUIDITY OBJECTIVES

Asciano Target Net Debt / EBITDA



- June 2008 gearing (Net Debt / EBITDA) of approximately 7 times
- Prior to May 2010 refinancing, target is to reduce gearing to a range of 5.5 to 6 times, to enhance flexibility and increase the range of refinancing options
- Taking into account expected EBITDA growth and expected 2009/10 growth capex initiatives, additional liquidity target over the coming 2 years is in the order of \$1 billion

ASCIANO CAPITAL REVIEW – MEETING KEY OBJECTIVES

- ✓ Create sustainable business model
- ✓ Secure funding for 2008/09 growth initiatives
- ✓ Provide an appropriate balance between cash yield and capital growth
- ✓ Enhance Asciano's long-term strategic positioning
- ✓ Secure funding for growth initiatives in 2009/10 and beyond
- ✓ Increase flexibility and range of options regarding 2010 senior debt refinancing

Distribution policy

SPP / DRP

Distribution policy

Business Unit Monetisation

Business Unit Monetisation

Business Unit Monetisation

KEY MESSAGES

Strong 2007/08 Results and Outlook

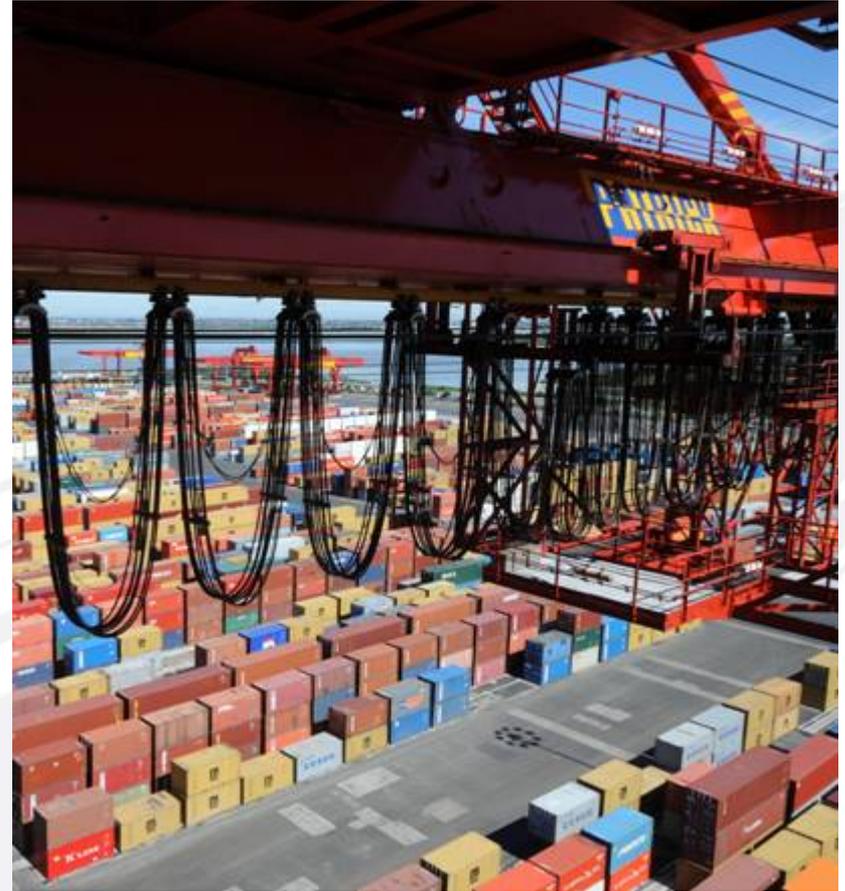
- 52 week EBITDA up 11%
- Continued growth from existing businesses and growth opportunities
- September quarter performance in line with budget
- Long-term industry trends remain positive

Capital Review

- 2008/09 growth initiatives fully funded
- Business unit monetisation to drive further growth

Commitment to Continue Executing Strategy

- Focus on core business
- Maximise ROE from existing businesses
- Leverage operating capability into new opportunities
- Redefining capital structure



QUESTIONS

