



ASX ANNOUNCEMENT

Wednesday 24 February 2010

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

ASX RELEASE

In accordance with the Listing Rules I enclose the following for immediate release Appendix 4D - Audited Half Yearly Report and Financial Statements for the period to 31 December 2009 for Asciano Limited and the Asciano Finance Trust.

Yours faithfully

A handwritten signature in black ink, appearing to read "F. Mead", enclosed within a white rectangular box.

Fiona Mead
Company Secretary

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ABN: 26 123 652 862



ASCIANO LIMITED

ABN 26 123 652 862

4D - HALF YEAR REPORT

For the half year ended 31 December 2009

Asciano comprises Asciano Limited and its controlled entities (and includes Asciano Finance Trust).

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This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Asciano Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.



Asciano Limited
Results for announcement to the market
For the half year ended 31 December 2009

	First half 2010 \$000	First half 2009 \$000	Increase/ (decrease) %
Revenue from services rendered	1,430,418	1,494,708	(4.3%)
EBITDA ¹ - before significant items	368,176	341,081	7.9%
EBIT ¹ - before significant items	227,549	215,059	5.8%
Profit/(loss) after tax - after significant items	79,083	(93,437)	184.6%
Profit attributable to owners of the Parent ²	188,222	106,894	76.1%
Parent basic and diluted earnings per share ³ - cents	6.3	13.2	(52.3%)
Asciano basic and diluted earnings per stapled security - cents	2.6	(11.8)	122.0%
Net tangible asset backing per security - dollars	0.10	(3.32)	103.0%

¹ EBITDA refers to earnings before interest, tax, depreciation and amortisation, and EBIT refers to earnings before interest and tax.

² Asciano Limited is the Parent entity of Asciano.

³ Basic and diluted earnings per share and stapled security in the prior period have been restated for the impact of the bonus share element arising from the rights issues during the current period.

There were no distributions declared in the current or prior period.



ASCIANO LIMITED

DIRECTORS' REPORT

For the half year ended 31 December 2009

Asciano is a stapled entity that comprises Asciano Limited (ABN 26 123 652 862) and its controlled entities (and includes Asciano Finance Trust - ARSN 124 102 807).

Asciano Limited

Directors' report

For the half year ended 31 December 2009

The Directors of Asciano Limited ("Company" or "Parent") present their report, together with the consolidated half year report of Asciano and the auditor's review report thereon, for the half year ended 31 December 2009.

Asciano comprises Asciano Limited and its controlled entities (and includes Asciano Finance Trust).

Directors

The following persons were Directors of the Company during the whole of the half year and up to the date of this report, unless otherwise stated:

Malcolm Broomhead (appointed 22 September 2009)
Tim Poole (resigned 23 October 2009)
Mark Rowsthorn
Chris Barlow
Bob Edgar (appointed 22 September 2009)
Peter George
Geoff Kleemann (appointed 22 September 2009)

Operating and financial review

Overview

During the period Asciano has continued to implement and progress a number of initiatives to deliver on its key strategic objectives. Asciano's strategic framework seeks to deliver value to securityholders in the long term. The primary elements of Asciano's strategy and initiatives are:

- focusing on Asciano's core businesses and developing new opportunities: demonstrated by the successful negotiation of key contracts with major customers which will further build on Asciano's existing strong market position in Rail and Ports;
- maximising returns from existing businesses: demonstrated by the achievement of the targeted efficiency review benefits and the sale of Pacific National Tasmania to the state government of Tasmania in November 2009 as it did not meet the requisite growth profile of Asciano; and
- optimising Asciano's capital structure: during the period Asciano raised \$1,833.0 million in new capital which was predominantly used to reduce debt to a level more appropriate to Asciano's needs. The refinancing was completed in December 2009 with the effect of reducing net bank debt to \$2,477.1 million (30 June 2009: \$4,260.0 million).

Review and results of operations

The results for the financial period reflect the strength of Asciano's businesses and its unique operating capabilities. Revenue and other income for the period to 31 December 2009 was \$1,435.2 million (31 December 2008: \$1,501.7 million). Profit before depreciation, amortisation, finance costs, significant items and tax was \$368.2 million (31 December 2008: \$341.1 million). A review of the results for the financial period by operating division is set out below:

- Coal: revenues were up 20.9% on the previous corresponding period and EBIT increased to \$62.1 million (31 December 2008: \$39.3 million) primarily due to the ongoing growth of operations in Queensland which commenced in April 2009, and continued strong demand for coal haulage services in New South Wales. The Coal business has been largely unaffected by the economic downturn and growth is expected to continue throughout the second half of this financial year.
- Intermodal: despite revenues decreasing by 15.9% from the previous corresponding period, as a result of a reduction in steel and domestic volumes following the economic downturn, EBIT increased to \$76.9 million (31 December 2008: \$72.3 million) primarily due to efficiency review benefits including the rationalisation of services and continued management of the cost base. Steel volumes demonstrated some signs of recovery in the first half of this financial year.

Asciano Limited
Directors' report
For the half year ended 31 December 2009

Operating and financial review (continued)

- Container Ports: revenues were down by 5.6% from the previous corresponding period, and EBIT decreased to \$71.8 million (31 December 2008: \$80.5 million) primarily due to poor performance in the logistics rail business. The container terminals business performed strongly at the margin level with earnings down just 3.1% on the period to 31 December 2008. Container volumes at all four major Ports towards the end of this half year are indicative of a gradual return towards historical growth rates.
- Auto, Bulk & General: revenues were down by 6.7% and EBIT decreased to \$31.7 million (31 December 2008: \$44.1 million) predominantly due to softer stevedoring volumes at the beginning of the financial year and reduced motor vehicle storage revenue. These volume reductions were partially mitigated with increased construction activity following the Government stimulus package and a recovery of vehicle import and steel export volumes at the end of the first half of the financial year.

Net finance costs for the period were \$132.3 million (31 December 2008: \$201.0 million expense), and depreciation and amortisation totalled \$140.6 million (December 2008: \$126.0 million), resulting in a profit before significant items and tax of \$95.3 million (December 2008: \$14.0 million).

The significant items before tax of \$1.4 million for the period to 31 December 2009, represents the \$4.6 million loss on the swap de-designation net of the \$3.2 million profit on the sale of Pacific National Tasmania.

A summary of revenue and other income for the period by business segment is set out below:

Revenue and other income	1H10 \$000	1H09 \$000	Movement
Coal	317,449	262,592	20.9%
Intermodal	427,222	508,102	(15.9%)
Container Ports	375,964	398,221	(5.6%)
Auto, Bulk & General	333,204	356,986	(6.7%)
Corporate/eliminations	(18,674)	(24,223)	22.9%
Asciano	1,435,165	1,501,678	(4.4%)

A summary of EBIT for the period by business segment is set out below. For the period ended 31 December 2009, corporate charges have been allocated to the operating divisions. This allocation was not made in the period ended 31 December 2008. Therefore, to provide comparability between the periods, the EBIT for the period ended 31 December 2009 has been presented both gross and net of corporate charges.

EBIT	1H10 Net \$000	Corporate Charges \$000	1H10 Gross \$000	1H09 \$000	Movement
Coal	59,254	2,888	62,142	39,315	58.1%
Intermodal	73,135	3,784	76,919	72,271	6.4%
Container Ports	68,032	3,816	71,848	80,516	(10.8%)
Auto, Bulk & General	28,399	3,308	31,708	44,086	(28.1%)
Corporate/eliminations	(1,271)	(13,796)	(15,068)	(21,129)	28.7%
Asciano	227,549	-	227,549	215,059	5.8%

As a result of changes in Asciano's organisational structure, comparative disclosures have been reclassified to ensure consistency and comparability.

Asciano Limited
Directors' report
For the half year ended 31 December 2009

Operating and financial review (continued)

Working capital

At 31 December 2009, Asciano had net current assets of \$118.6 million (30 June 2009: net current asset deficiency of \$2,246.6 million).

Finance

Asciano's net bank debt at 31 December 2009 stood at \$2,477.1 million (30 June 2009: \$4,260.0 million). Asciano had total committed credit facilities of \$3,390.0 million (30 June 2009: \$5,217.5 million), of which \$512.0 million (30 June 2009: \$150.0 million) were undrawn at 31 December 2009.

Asciano is in compliance with all its banking covenants at 31 December 2009. Based on earnings and debt expectations, Asciano expects to remain in compliance with its banking covenants for the foreseeable future.

Asciano's finance facilities contain a mix of term debt and working capital facilities which are currently used for bank guarantees and performance bonds. The debt matures in the period between May 2012 and December 2014.

Outlook

Asciano continues to be impacted by the unprecedented volatility in global equity and credit markets. Whilst there is a likelihood of global markets remaining unsettled for a period of time, Asciano is in a position to deliver growth and value to securityholders in the medium to long term, because of the strength of its existing operations and quality of assets, combined with benefits of the efficiency initiatives being implemented and a continued focus on executing the business strategy.

Events subsequent to reporting date

There has not arisen in the interval between the end of the half year and the date of this report, any item, transaction or event of a material and unusual nature likely, that in the opinion of the Board of Directors, affects the 31 December 2009 half year financial report.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporation Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporation Act 2001.

Rounding of amounts

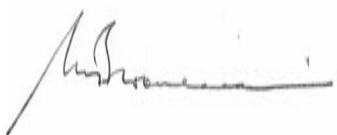
The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off in accordance with that Class Order to the nearest one thousand dollars, or in certain cases, to the nearest dollar.

Asciano Limited
Directors' report
For the half year ended 31 December 2009

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page and forms part of the Directors' report.

This report is made in accordance with a resolution of the Directors.

A handwritten signature in dark ink, appearing to read 'Malcolm Broomhead', is written over a faint, light-colored rectangular stamp or watermark.

Malcolm Broomhead
Chairman

Melbourne
24 February 2010



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the Directors of Asciano Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Duncan McLennan

Duncan McLennan
Partner

Sydney

24 February 2010



ASCIANO LIMITED

FINANCIAL REPORT

For the half year ended 31 December 2009

Asciano is a stapled entity that comprises Asciano Limited (ABN 26 123 652 862) and its controlled entities (and includes Asciano Finance Trust - ARSN 124 102 807).

Asciano Limited
Consolidated Statement of Income
For the half year ended 31 December 2009

		First half 2010 \$000	First half 2009 \$000
	Note		
Revenue from services rendered	6	1,430,418	1,494,708
Other income	6	4,747	6,970
Share of net profit of associates	9	4,174	5,825
Operating expenses excluding depreciation, amortisation and significant items		(1,071,163)	(1,166,422)
Operating profit before depreciation, amortisation, significant items and tax		368,176	341,081
Depreciation		(105,467)	(90,055)
Amortisation		(35,160)	(35,967)
Profit before finance costs, significant items and tax		227,549	215,059
Finance income	7	41,224	5,823
Finance expense		(173,510)	(206,863)
Net finance costs	7	(132,286)	(201,040)
Profit before significant items and tax		95,263	14,019
Significant items before tax	4	(1,366)	(97,453)
Profit/(loss) before tax		93,897	(83,434)
Tax expense	8	(14,814)	(10,003)
Profit/(loss) after tax		79,083	(93,437)
Profit/(loss) attributable to:			
Owners of Asciano Limited		188,222	106,894
Non-controlling interests:			
Unitholders of Asciano Finance Trust		(109,945)	(202,122)
Other		806	1,791
		79,083	(93,437)
Earnings per Parent share			
Basic and diluted - cents	5	6.3	13.2

Included in note 5 is the Asciano basic and diluted earnings per security reflecting the aggregate (Asciano Limited and Asciano Finance Trust) earnings per stapled security.

The above Consolidated Statement of Income should be read in conjunction with the accompanying notes.

Asciano Limited
Consolidated Balance Sheet
As at 31 December 2009

		December 2009 \$000	June 2009 \$000
	Note		
Current assets			
Cash and cash equivalents		272,863	680,607
Trade and other receivables		299,980	298,225
Prepayments		34,755	21,493
Inventories		21,949	19,737
Other financial assets, including derivatives		-	995
Non-current assets classified as held for sale		-	28,811
Other assets		102	-
Total current assets		629,649	1,049,868
Non-current assets			
Trade and other receivables		74,986	80,646
Prepayments		15,303	16,351
Inventories		15,235	15,007
Net deferred tax assets		143,280	168,503
Equity accounted investments	9	12,239	10,979
Property, plant and equipment		2,793,084	2,668,157
Intangible assets		3,883,572	3,916,613
Other assets		36,641	24,623
Total non-current assets		6,974,340	6,900,879
Total assets		7,603,989	7,950,747
Current liabilities			
Trade and other payables		248,646	282,941
Loans and borrowings	10	5,341	2,695,941
Other financial liabilities, including derivatives		62,462	101,547
Current tax liabilities		361	638
Provisions and employee benefits		194,250	215,426
Total current liabilities		511,060	3,296,493
Non-current liabilities			
Trade and other payables		53,648	59,298
Loans and borrowings	10	2,750,000	2,250,000
Other financial liabilities, including derivatives		41,142	59,792
Provisions and employee benefits		78,396	81,397
Total non-current liabilities		2,923,186	2,450,487
Total liabilities		3,434,246	5,746,980
Net assets		4,169,743	2,203,767
Equity			
Contributed equity	11	8,180,739	7,189,373
Reserves		(4,978,245)	(5,022,783)
Retained earnings		415,304	224,943
Equity attributable to owners of Asciano Limited		3,617,798	2,391,533
Non-controlling interests		551,945	(187,766)
Total equity		4,169,743	2,203,767

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Asciano Limited
Consolidated Statement of Comprehensive Income
For the half year ended 31 December 2009

	First half 2010 \$000	First half 2009 \$000
Note		
Profit/(loss) after tax	79,083	(93,437)
Other comprehensive income		
Foreign currency translation differences for foreign operations	181	800
Effective portion of changes in fair value of cash flow hedges	61,319	(360,657)
Defined benefit plan actuarial gains/(losses)	3,056	(65,506)
Income tax (expense)/benefit on other comprehensive income	(19,367)	127,609
Other comprehensive income/(expense)	45,189	(297,754)
Total comprehensive income/(expense)	124,272	(391,191)
Total comprehensive income/(expense) attributable to:		
Owners of Asciano Limited	233,411	(190,860)
Non-controlling interests:		
Unitholders of Asciano Finance Trust	(109,945)	(202,122)
Other	806	1,791
	124,272	(391,191)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Asciano Limited
Consolidated Statement of Changes in Equity
For the half year ended 31 December 2009

\$000	Contributed equity	Reserves	Retained earnings	Total	Non-controlling interests	Total
First half 2010						
Balance at 1 July 2009	7,189,373	(5,022,783)	224,943	2,391,533	(187,766)	2,203,767
Profit/(loss) for the half year	-	-	188,222	188,222	(109,139)	79,083
Other comprehensive income:						
Cash flow hedges	-	61,319	-	61,319	-	61,319
Defined benefit plan actuarial gains	-	-	3,056	3,056	-	3,056
Foreign currency translation	-	181	-	181	-	181
Income tax thereon	-	(18,450)	(917)	(19,367)	-	(19,367)
Total comprehensive income/(expense)	-	43,050	190,361	233,411	(109,139)	124,272
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	991,366	-	-	991,366	848,850	1,840,216
Employee equity benefits	-	1,488	-	1,488	-	1,488
	991,366	1,488	-	992,854	848,850	1,841,704
Balance at 31 December 2009	8,180,739	(4,978,245)	415,304	3,617,798	551,945	4,169,743
First half 2009						
Balance at 1 July 2008	6,765,651	(4,836,489)	185,283	2,114,445	(126,809)	1,987,636
Profit/(loss) for the half year	-	-	106,894	106,894	(200,331)	(93,437)
Other comprehensive income:						
Cash flow hedges	-	(360,657)	-	(360,657)	-	(360,657)
Defined benefit plan actuarial losses	-	-	(65,506)	(65,506)	-	(65,506)
Foreign currency translation	-	800	-	800	-	800
Income tax thereon	-	107,957	19,652	127,609	-	127,609
Total comprehensive income/(expense)	-	(251,900)	61,040	(190,860)	(200,331)	(391,191)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	138,041	-	-	138,041	21,314	159,355
Distributions	-	-	-	-	(5,600)	(5,600)
Employee equity benefits	-	(766)	-	(766)	-	(766)
	138,041	(766)	-	137,275	15,714	152,989
Balance at 31 December 2008	6,903,692	(5,089,155)	246,322	2,060,859	(311,426)	1,749,433

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Asciano Limited
Consolidated Statement of Cash Flows
For the half year ended 31 December 2009

	First half 2010 \$000	First half 2009 \$000
Note		
Operating cash flows		
Receipts from customers	1,628,947	1,794,501
Payments to suppliers and employees	(1,329,955)	(1,418,325)
Interest and other costs of finance paid	(194,946)	(192,811)
Dividends received from associates	2,915	6,051
Net income tax payments	(1,965)	(6,393)
Interest received	39,101	5,953
Net operating cash flows	144,097	188,976
Investing cash flows		
Payments for property, plant and equipment	(229,966)	(255,924)
Proceeds from sale of property, plant and equipment	314	2,773
Proceeds from sale of business	29,784	-
Repayment of loans from associates	-	2,000
Loans from/(to) associates	5,625	(1,950)
Net investing cash flows	(194,243)	(253,101)
Financing cash flows		
Proceeds from issues of equity securities, net of transaction costs	1,833,000	103,360
Proceeds from borrowings	590,700	154,500
Repayment of borrowings	(2,781,300)	(27,400)
Finance lease repayments	(18)	(672)
Distributions paid	-	(95,101)
Net financing cash flows	(357,618)	134,687
Net increase in cash and cash equivalents	(407,764)	70,562
Effect of exchange rate fluctuations on cash held	20	-
Cash and cash equivalents at the beginning of the half year	680,607	120,335
Cash and cash equivalents at the end of the half year	272,863	190,897

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Asciano Limited
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

1. Basis of preparation of the half year report

This general purpose financial report for the interim half year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Asciano Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year, with the exception of the amendments below.

Changes in accounting policy

Asciano has been required to change some of its accounting policies as the result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009.

The affected policies and standards are:

- principles of consolidation - revised AASB 127 Consolidated and Separate Financial Statements and changes made by AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate;
- presentation of financial statements – revised AASB 101 Presentation of Financial Statements; and
- business combinations – revised AASB 3 Business Combinations.

The changes were implemented prospectively from 1 July 2009. There has been no financial impact of these changes in the current period.

2. Critical accounting estimates and judgements

The preparation of half year financial reports requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation and critical judgements in applying accounting policies that have had the most significant effect on the amounts recognised in the financial statements are described below.

Further details of the nature of these assumptions and conditions may be found in the annual report for the year ended 30 June 2009.

Impairment of goodwill and intangible assets with indefinite useful lives

Asciano assesses at least annually whether goodwill and intangible assets with indefinite useful lives are impaired. These calculations involve an estimation of the recoverable amount of the cash-generating units ("CGUs") to which goodwill and intangible assets with indefinite useful lives have been allocated. The recoverable amounts of CGUs have been determined, based on value-in-use calculations. These calculations require the use of assumptions.

In the prior year, the automotive industry was directly affected by the global financial crisis and as a result the cash flow forecasts associated with the Autocare CGU were revised (refer note 4).

Asciano Limited
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

2. Critical accounting estimates and judgements (continued)

Impairment of non-financial assets other than goodwill

Asciano assesses impairment of all assets at least annually by evaluating conditions specific to Asciano and to the particular asset, which may lead to impairment. These include technological, market, economic or legal environments in which Asciano operates.

Taxation

Asciano's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be subject to a tax on income. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the Balance Sheet. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These in turn depend on estimates of future sales volumes, operating costs, capital expenditure, distributions to securityholders and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty; hence, there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Balance Sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may then require adjustment, resulting in a corresponding credit or charge to the Statement of Income.

Derivatives

Derivatives are valued at the net present value of the remaining cash flows over the life of the instrument. Future cash flows are discounted at interest rates derived from the market yield curve at the end of the reporting period. As a result, the value of derivatives reported by Asciano may increase or decrease along with changes in market interest rates, and, in the case of foreign exchange contracts, changes in market exchange rates.

Asciano Limited
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

3. Segment reporting

First half 2010 \$000	Coal	Intermodal	Container Ports	Auto, Bulk and General	Eliminations/ unallocated	Total
Revenue						
External revenue	316,778	421,256	362,081	330,303	-	1,430,418
Inter-segment revenue	-	4,652	13,924	-	(18,576)	-
	316,778	425,908	376,005	330,303	(18,576)	1,430,418
Other income	671	1,314	(41)	2,901	(98)	4,747
Revenue and other income	317,449	427,222	375,964	333,204	(18,674)	1,435,165
Operating expenses	(222,009)	(313,964)	(270,564)	(283,757)	19,131	(1,071,163)
Share of net profit of associates	-	-	423	3,751	-	4,174
Operating profit before depreciation, amortisation, finance costs, significant items and tax	95,440	113,258	105,823	53,198	457	368,176
Depreciation	(21,231)	(36,424)	(28,070)	(18,822)	(920)	(105,467)
Amortisation	(14,955)	(3,699)	(9,721)	(5,977)	(808)	(35,160)
Profit/(loss) before finance costs, significant items and tax	59,254	73,135	68,032	28,399	(1,271)	227,549
Finance income	-	-	-	-	41,224	41,224
Finance expense	-	-	-	-	(173,510)	(173,510)
Profit/(loss) before significant items and tax	59,254	73,135	68,032	28,399	(133,557)	95,263
Significant items						
Swap de-designation	-	-	-	-	(4,610)	(4,610)
Profit on sale of Pacific National Tasmania	-	3,244	-	-	-	3,244
Significant items before tax	-	3,244	-	-	(4,610)	(1,366)
Profit/(loss) before tax	59,254	76,379	68,032	28,399	(138,167)	93,897
Tax expense						(14,814)
Profit after tax						79,083

Asciano Limited
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

3. Segment reporting (continued)

First half 2009 ¹ \$000	Coal	Intermodal	Container Ports	Auto, Bulk and General	Eliminations/ unallocated	Total
Revenue						
External revenue	262,112	489,695	389,650	353,236	15	1,494,708
Inter-segment revenue	-	16,119	8,113	-	(24,232)	-
	262,112	505,814	397,763	353,236	(24,217)	1,494,708
Other income	480	2,288	458	3,750	(6)	6,970
Revenue and other income	262,592	508,102	398,221	356,986	(24,223)	1,501,678
Operating expenses	(195,650)	(397,929)	(280,840)	(298,274)	6,271	(1,166,422)
Share of net profit of associates	-	-	398	5,427	-	5,825
Operating profit/(loss) before depreciation, amortisation, finance costs, significant items and tax	66,942	110,173	117,779	64,139	(17,952)	341,081
Depreciation	(13,059)	(35,229)	(25,733)	(14,491)	(1,543)	(90,055)
Amortisation	(14,568)	(2,673)	(11,530)	(5,562)	(1,634)	(35,967)
Profit/(loss) before finance costs, significant items and tax	39,315	72,271	80,516	44,086	(21,129)	215,059
Finance income	-	-	-	-	5,823	5,823
Finance expense	-	-	-	-	(206,863)	(206,863)
Profit/(loss) before significant items and tax	39,315	72,271	80,516	44,086	(222,169)	14,019
Significant items						
Goodwill impairment	-	-	-	(82,800)	-	(82,800)
Plant and equipment impairment	-	(10,084)	-	-	-	(10,084)
Restructuring costs	(783)	(1,230)	(645)	(890)	(1,021)	(4,569)
Significant items before tax	(783)	(11,314)	(645)	(83,690)	(1,021)	(97,453)
Profit/(loss) before tax	38,532	60,957	79,871	(39,604)	(223,190)	(83,434)
Tax expense						(10,003)
Loss after tax						(93,437)

¹ As a result of changes in Asciano's organisational structure, comparative disclosures have been reclassified to ensure consistency and comparability.

Asciano Limited
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

3. Segment reporting (continued)

	Coal	Intermodal	Container Ports	Auto, Bulk and General	Eliminations/unallocated	Total
31 December 2009						
\$000						
Segment assets	1,631,683	1,203,319	2,992,629	879,982	896,376	7,603,989
30 June 2009						
\$000						
Segment assets	1,524,521	1,260,255	3,082,450	944,696	1,138,825	7,950,747

4. Significant items

	First half 2010 \$000	First half 2009 \$000
Sale of assets and right to conduct business – Pacific National Tasmania	3,244	-
Swap de-designation	(4,610)	-
Goodwill impairment	-	(82,800)
Plant and equipment impairment	-	(10,084)
Restructuring costs	-	(4,569)
Significant items before tax	(1,366)	(97,453)
Prima facie tax benefit thereon at 30%	410	29,236
Non-deductible impairment expense	-	(24,840)
Significant items after tax	(956)	(93,057)

Pacific National Tasmania - sale of assets and right to conduct business

A profit of \$3.2 million was recognised during the period in relation to the sale of the Pacific National Tasmania rail business (refer Note 13).

Swap de-designation

At 31 December 2009, and as a direct consequence of the re-financing, Asciano's notional market value of the interest rate swap hedge book exceeded the balance of the bank debt by \$520.0 million. As a result, the ineffective portion of the fair value of the hedges, amounting to \$4.6 million, has been transferred from the equity hedge reserve to the income statement in the period.

Asciano Limited
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

4. Significant items (continued)

Goodwill impairment

In the prior period, the automotive industry was adversely affected by the global financial crisis, resulting in a decline in industry sales and production. In line with the changing economic conditions, the long term cash flow forecasts associated with the Autocare CGU were revised to reflect the effects of the changing forecasts. This resulted in a substantial reduction in the net present value of future estimated cash flows and consequently, an impairment charge of \$82.8 million was recorded against the goodwill in the Autocare CGU in the period to 31 December 2008. A further impairment charge of \$59.8 million was recorded in the period to 30 June 2009. Impairment of goodwill is not deductible for tax purposes.

Plant and equipment impairment

In the prior period, a write down of \$10.1 million in relation to assets used in rail operations in Tasmania was recognised. The impairment on plant and equipment has been tax effected.

Restructuring costs

Restructuring costs of \$4.6 million in the prior period related to a restructure of divisional and Asciano corporate functions, following a group-wide efficiency review to assess the effectiveness of Asciano's internal systems and processes, shared services centres and utilisation of people. All restructuring costs were tax effected.

5. Earnings per share and security

	First half 2010 Cents	First half 2009 Cents
Parent basic and diluted earnings per share ¹	6.3	13.2
Asciano basic and diluted earnings per security ¹	2.6	(11.8)
The calculation of earnings per security was based on the information as follows:		
	\$000	\$000
Profit attributable to Parent company shareholders	188,222	106,894
Profit/(loss) attributable to Asciano securityholders	78,277	(95,228)
	'000	'000
Basic weighted average number of ordinary securities ¹	2,982,656	807,402
Diluted weighted average number of ordinary securities ¹	2,982,834	807,402

¹ The basic and diluted earnings per share calculations have been adjusted for all reporting periods for a bonus factor arising from the theoretical ex-rights value of the securities.

To provide information to securityholders as to the aggregate earnings per stapled security, Asciano basic and diluted earnings per security have been shown in addition to basic and diluted earnings per share computations determined in accordance with Accounting Standard AASB 133 Earning per Share.

None of the outstanding options were dilutive in the prior year as their exercise price was higher than the average market price for Asciano stapled securities during the financial period.

Asciano Limited
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

6. Revenue and other income

	First half 2010 \$000	First half 2009 \$000
Revenue		
Services rendered	1,430,418	1,494,708
Other income		
Net (loss)/gain from sale of non-current assets	(406)	2,110
Other	5,153	4,860
	4,747	6,970

7. Finance income and expense

Interest income	41,224	5,823
Interest expense	(160,345)	(187,409)
Net interest expense	(119,121)	(181,586)
Amortisation of capitalised borrowing costs	(10,458)	(5,978)
Commitment and other facility fees	(2,562)	(1,421)
Unwind of discount on long term provisions	(145)	(12,055)
Other finance costs	(13,165)	(19,454)
Net finance costs	(132,286)	(201,040)
Recognised directly in equity		
Foreign currency translation differences for foreign operations	127	560
Effective portion of fair value changes in cash flow hedges	42,923	(252,460)
Finance income recognised directly in equity	43,050	(251,900)

Asciano Limited
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

8. Income tax

	First half 2010 \$000	First half 2009 \$000
Current tax expense	1,701	4,117
Deferred tax expense/(benefit)	13,113	(3,794)
Capital losses derecognised	-	9,680
Total income tax expense	14,814	10,003
Reconciliation between tax expense and profit/(loss)		
Profit/(Loss) before tax	93,897	(83,434)
Income tax at 30%	28,169	(25,030)
Capital losses derecognised	451	9,680
Goodwill impairment not deductible	-	24,840
Other non-deductible items	2,252	2,251
Trust income distributed to securityholders	-	(9,733)
Recognition and derecognition of temporary differences	(2,349)	9,365
Adjustment to deferred tax on prior year	(10,852)	-
Non-assessable equity accounted profit	(1,252)	(1,370)
Other deductible items	(1,605)	-
Income tax expense	14,814	10,003
Income tax recognised directly in equity		
Revaluation of derivatives	18,396	(108,197)
Foreign currency translation differences	54	240
Actuarial gains/(losses) on defined benefits plans	917	(19,652)
Income tax before transactions with owners in their capacity as owners	19,367	(127,609)
Transaction costs	(7,408)	-
	11,959	(127,609)

Asciano Limited and its wholly owned Australian subsidiaries formed a tax-consolidated group with effect from 15 June 2007. The tax consolidation process requires an Allocable Cost Allocation, thereby resetting the tax cost base of the consolidated entity's assets, including property, plant and equipment. This consolidation exercise is still in progress and therefore all reset values, including depreciable assets, are estimates based on work undertaken to date.

The finalisation of this exercise may result in further changes to the current estimated tax balances and hence deferred taxes.

Asciano Limited
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

9. Equity accounted investments

	December 2009 \$000	June 2009 \$000
Equity accounted investments	12,239	10,979

Summary financial information for associates, adjusted for the percentage ownership held by Asciano, is as follows:

	Ownership %	Share of profit/(loss) First half 2010 \$000	First half 2009 \$000
C3 Limited	50	2,389	1,516
Australian Amalgamated Terminals Pty Limited	50	2,181	3,618
Albany Bulk Handling Pty Limited	50	726	963
1-Stop Connections Pty Limited	50	506	370
Car Compounds of Australia Pty Limited	50	240	870
Australian Automotive Terminals Pty Limited	50	-	-
Logistics Planning Services Pty Limited	50	-	-
Patrick PortLink (SA) Pty Limited	50	(95)	27
Geelong Unit Trust	30	(155)	583
		5,792	7,947
Share of income tax expense		(1,618)	(2,122)
Share of profit after tax		4,174	5,825

Apart from C3 Limited, which was incorporated in New Zealand, all equity accounted investees were incorporated or formed in Australia.

Asciano Limited
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

10. Loans and borrowings

	December 2009 \$000	June 2009 \$000
Current		
Finance lease liabilities	841	841
Secured bank borrowings	-	2,690,600
Loans from related entities	4,500	4,500
Total current loans and borrowings	5,341	2,695,941
Non-current		
Secured bank borrowings	2,750,000	2,250,000
Total non-current loans and borrowings	2,750,000	2,250,000

Loans and borrowings are secured by charges over the Parent and each of the holding companies that sit immediately below the Parent.

Bank facilities

Asciano's net bank debt at 31 December 2009 stood at \$2,477.1 million (30 June 2009: \$4,260.0 million). Asciano had total committed credit facilities of \$3,390.0 million (30 June 2009: \$5,217.5 million), of which \$512.0 million (30 June 2009: \$150.0 million) were undrawn at 31 December 2009. The following table provides further details of the components of these facilities:

		December 2009		June 2009	
	Maturity	Total facility \$000	Utilised \$000	Total facility \$000	Utilised \$000
Syndicated term loan	Dec 2014	500,000	500,000	-	-
Syndicated revolving credit facility	Dec 2013	500,000	-	-	-
Syndicated term loan	May 2012	2,250,000	2,250,000	2,250,000	2,250,000
Syndicated term loan	May 2010	-	-	2,250,000	2,250,000
Capital expenditure facility	May 2010	-	-	550,000	440,600
Less: cash and cash equivalents		-	(272,863)	-	(680,607)
Net bank debt		3,250,000	2,477,137	5,050,000	4,259,993
Working capital facilities ¹	Dec 2013	140,000	127,991	167,462	126,852
		3,390,000	2,605,128	5,217,462	4,386,845

¹ All of the utilised working capital facilities are in respect of performance bonds and bank guarantees.

Asciano pays interest on its facilities at a margin above the bank bill swap rate.

Asciano Limited
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

11. Equity securities issued

Asciano is a stapled group, comprising Asciano Limited (the Parent) and its controlled entities (and includes Asciano Finance Trust).

Movement in number of issued shares/units	Date	Issue price \$	Number of shares/ units	\$000
December 2009				
Parent				
Balance at 1 July 2009			1,218,837,054	7,189,373
Retail entitlement offer	21 July 2009	0.59	388,442,791	229,181
Conditional placement	27 July 2009	0.59	1,227,272,727	724,091
Security Purchase Plan ("SPP")	20 August 2009	0.60	91,551,311	54,931
Transaction costs, net of tax			-	(16,837)
Balance at 31 December 2009			2,926,103,883	8,180,739
Asciano Finance Trust				
Balance at 1 July 2009			1,218,837,054	581,217
Retail entitlement offer	21 July 2009	0.51	388,442,791	198,106
Conditional placement	27 July 2009	0.51	1,227,272,727	625,909
SPP	20 August 2009	0.50	91,551,311	45,776
Transaction costs			-	(20,941)
Balance at 31 December 2009			2,926,103,883	1,430,067
June 2009				
Parent				
Balance at 1 July 2008			656,596,506	6,765,651
Distribution Reinvestment Plan ("DRP")	26 August 2008	2.50	18,586,736	46,474
SPP	16 September 2008	3.88	23,634,082	91,793
Allocation interest ¹	30 June 2009	0.59	520,019,730	306,812
Transaction costs, net of tax			-	(21,357)
Balance at 30 June 2009			1,218,837,054	7,189,373
Asciano Finance Trust				
Balance at 1 July 2008			656,596,506	320,713
DRP	26 August 2008	0.51	18,586,736	9,423
SPP	16 September 2008	0.51	23,634,082	11,983
Allocation interest ¹	30 June 2009	0.51	520,019,730	265,210
Transaction costs			-	(26,112)
Balance at 30 June 2009			1,218,837,054	581,217

¹ An allocation interest is the unconditional right to receive securities that were already paid for at 30 June 2009 but were only allotted on 1 July 2009.

Asciano Limited
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

12. Distributions

The Board of Directors did not determine that a distribution was payable by Asciano Limited in the current period. No distributions from Asciano Finance Trust were paid to securityholders or determined to be paid during the prior period.

DRP

Distributions actually paid or satisfied by the issue of securities under the DRP were as follows:

	First half 2010 \$000	First half 2009 \$000
Cash paid to securityholders	-	95,101
Satisfied by issue of securities	-	55,897
DRP residual balance ¹	-	19
Total dividend/distribution	-	151,017

¹ DRP residual balance being the remaining balance which could not amount to one full security and will be carried forward to the next distribution reinvestment.

13. Sale of business

On 30 November 2009, the assets of the Tasmanian rail business operations of the Intermodal division were sold to the State Government of Tasmania for cash consideration of \$29.8 million, net of transaction costs. The assets were previously reflected as non-current assets classified as held for sale at 30 June 2009.

The following summary represents the assets and liabilities sold to the State Government of Tasmania and the profit earned on the transaction:

	First half 2010 \$000	First half 2009 \$000
Assets		
Prepayments	115	-
Inventories	1,218	-
Property, plant and equipment	27,266	-
	28,599	-
Liabilities		
Employee entitlement provisions	2,059	-
	2,059	-
Net assets	26,540	-
Cash consideration, net of transaction costs	29,784	-
Profit	3,244	-

Asciano Limited
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

14. Capital and other commitments

	December 2009 \$000	June 2009 \$000
Property, plant and equipment		
Contracted capital expenditure committed but not provided for or payable:		
Within one year	352,202	399,507
One year or later and no later than five years	134,990	44,257
Later than five years	-	12,478
	487,192	456,242
Maintenance commitments		
Non-cancellable maintenance contracts committed but not provided for or payable:		
Within one year	50,880	83,232
One year or later and no later than five years	67,250	97,250
	118,130	180,482

15. Contingencies

Litigation

From time to time, Asciano is subject to claims and litigation during the normal course of business. The Board of Directors has given consideration to such matters and, subject to specific provisions raised, are of the opinion that no material liability exists.

Environmental liabilities

Asciano provides for all known environmental liabilities. While the Board of Directors believes that, based upon current information, its provisions for environmental rehabilitation are adequate, there can be no assurance that material new provisions will not be required as a result of new information of regulatory requirements with respect to known sites or identification of new remedial obligations at other sites.

Contingent assets

Asciano has instituted proceedings for the recovery of consequential damages suffered as a result of the subsidence and crumbling of pavement works carried out by a third party at both Fisherman Islands and Port Botany sites. The Directors are confident the claim will be successful; however, as recovery is not virtually certain, no asset has been recognised.

Asciano Limited
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

16. Related parties

On 22 September 2009, three new Non-Executive Directors were appointed to the Board of Directors of Asciano Limited. The appointment of the new Directors, Malcolm Broomhead, Bob Edgar and Geoff Kleemann, was endorsed by securityholders at Asciano's Annual General Meeting on 23 October 2009. Malcolm Broomhead was appointed the Chairman of the Board of Directors following the resignation of Tim Poole.

The Managing Director, Mark Rowsthorn, was granted 3,861,702 options under the Asciano Group Option and Right Plan at an exercise price of \$1.52 on 27 October 2009. The options were granted as part of his remuneration following securityholder approval at Asciano's Annual General Meeting. The options may be exercised between 1 July 2012 and 30 June 2014, subject to the satisfaction of various time and performance based vesting conditions.

Non-Executive Director, Peter George, has concluded the provision of consulting services in relation to overseeing Asciano's efficiency review.

Apart from the matters discussed above, arrangements with related parties, as disclosed in the annual report for the year ended 30 June 2009, continue to be in place. For details on these arrangements, refer to the annual financial report for the year ended 30 June 2009.

17. Subsequent events

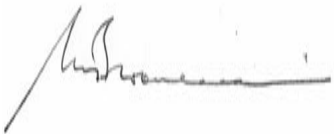
There has not arisen in the interval between the end of the half year and the date of this report, any item, transaction or event of a material and unusual nature, that in the opinion of the Board of Directors, affects the 31 December 2009 half year financial report.

Asciano Limited
Directors' declaration
For the half year ended 31 December 2009

In the opinion of the Directors of Asciano Limited ("Company"):

1. The financial statements and notes, set out on pages 9 to 27, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half year ended on that date.
2. There are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Malcolm Broomhead
Chairman

Melbourne
24 February 2010



Independent auditor's review report to the members of Asciano Limited

We have reviewed the accompanying half-year financial report of Asciano Limited (the Company), which comprises the consolidated balance sheet as at 31 December 2009, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies and other explanatory notes 1 to 17 and the directors' declaration of Asciano Limited and the entities it controlled (the Group) at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Asciano Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Asciano Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink that reads 'Duncan McLennan'.

Duncan McLennan
Partner

Sydney

24 February 2010



ASCIANO FINANCE TRUST

ARSN 124 102 807

4D - HALF YEAR REPORT

For the half year ended 31 December 2009

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This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Asciano Finance Trust and Asciano Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.



Asciano Finance Trust
Results for announcement to the market
For the half year ended 31 December 2009

	First half 2010 \$000	First half 2009 \$000	Decrease %
Interest income	122,841	234,565	(47.6%)
Net profit attributable to the unitholders of the Trust	12,895	32,443	(60.3%)
Basic and diluted earnings per unit - cents	0.5	4.8	(89.6%)
Net tangible asset backing per unit - cents	49.8	53.6	(7.1%)

The Board of Directors did not determine that a distribution was payable in the current period or prior period.

Asciano comprises Asciano Limited and its controlled entities and includes Asciano Finance Trust. Asciano operates as a stapled structure. The securities of the two entities in the Asciano structure are stapled securities ("securities") and quoted as one on the Australian Securities Exchange. As a result, the securities cannot be traded separately. This report should be read in conjunction with the half year report of Asciano Limited.



ASCIANO FINANCE TRUST

DIRECTORS' REPORT

For the half year ended 31 December 2009

Asciano Finance Trust
Directors' report
For the half year ended 31 December 2009

The Directors of Permanent Investment Management Limited (ABN 45 003 278 831) ("Responsible Entity") present their report, together with the half year report of Asciano Finance Trust ("Trust") and the auditor's review report thereon, for the half year ended 31 December 2009.

Directors

The following persons were Directors of the Responsible Entity during the whole of the half year and up to the date of this report, unless otherwise stated:

Vicki Allen
John Atkin
Michael Britton
David Grbin

Review of operations

The Trust reported a net profit attributable to the unitholders of \$12.9 million (31 December 2008: \$32.4 million). The principal activities of the Trust during the course of the half year were to source external borrowings and on lend these to Asciano Limited and related entities.

During the period the Trust issued additional stapled securities, raising proceeds net of transaction costs of \$848.9 million.

Additional loan proceeds of \$590.7 million were drawn during the period.

On 21 December 2009, the Trust fully repaid bank facilities amounting to \$2,781.3 million that were due to mature in May 2010, and entered into new facility agreements comprising a \$500 million revolving credit facility, a \$140 million working capital facility and a \$500 million term loan facility. The Trust's facilities now mature in the period between May 2012 and December 2014.

The Trust is in compliance with all its banking covenants at 31 December 2009. Based on earnings expectations, the Trust expects to remain in compliance with its banking covenants.

Events subsequent to reporting date

There has not arisen in the interval between the end of the half year and the date of this report, any item, transaction or event of a material and unusual nature, that in the opinion of the Board of Directors, affects the 31 December 2009 half year financial report.

Rounding of amounts

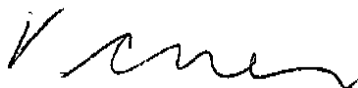
The Trust is an entity of the kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off in accordance with that Class Order to the nearest one thousand dollars, or in certain cases, to the nearest dollar.

**Asciano Finance Trust
Directors' report
For the half year ended 31 December 2009**

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page and forms part of the Directors' report.

This report is made in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'V Allen', with a stylized, cursive script.

Vicki Allen
Director

Sydney
24 February 2010



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the Directors of the Responsible Entity of Asciano Finance Trust, Permanent Investment Management Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Duncan McLennan

Duncan McLennan
Partner

Sydney

24 February 2010



ASCIANO FINANCE TRUST

FINANCIAL REPORT

For the half year ended 31 December 2009

Asciano Finance Trust
Statement of Comprehensive Income
For the half year ended 31 December 2009

		First half 2010 \$000	First half 2009 \$000
	Note		
Interest income	4	122,841	234,565
Foreign exchange gains		116	581
Interest expense	4	(109,837)	(202,634)
Other operating expenses		(225)	(69)
Net profit attributable to the unitholders of the Trust		12,895	32,443
Total comprehensive income		12,895	32,443
Earnings per unit			
Basic and diluted - cents	3	0.5	4.8

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Asciano Finance Trust
Balance Sheet
As at 31 December 2009

		December 2009 \$000	June 2009 \$000
	Note		
Current assets			
Receivables	5	<u>33,633</u>	<u>2,717,998</u>
Total current assets		<u>33,633</u>	<u>2,717,998</u>
Non-current assets			
Receivables	5	<u>4,178,801</u>	<u>2,830,456</u>
Total non-current assets		<u>4,178,801</u>	<u>2,830,456</u>
Total assets		<u>4,212,434</u>	<u>5,548,454</u>
Current liabilities			
Payables		6,298	13,463
Loans and borrowings	6	<u>-</u>	<u>2,690,600</u>
Total current liabilities		<u>6,298</u>	<u>2,704,063</u>
Non-current liabilities			
Loans and borrowings	6	<u>2,750,000</u>	<u>2,250,000</u>
Total non-current liabilities		<u>2,750,000</u>	<u>2,250,000</u>
Total liabilities		<u>2,756,298</u>	<u>4,954,063</u>
Net assets		<u>1,456,136</u>	<u>594,391</u>
Equity			
Contributed equity	7	1,430,067	581,217
Retained earnings		<u>26,069</u>	<u>13,174</u>
Total equity		<u>1,456,136</u>	<u>594,391</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

Asciano Finance Trust
Statement of Changes in Equity
For the half year ended 31 December 2009

	Contributed equity \$000	Retained earnings \$000	Total equity \$000
First half 2010			
Balance at 1 July 2009	581,217	13,174	594,391
Profit for the half year	-	12,895	12,895
Total comprehensive income for the half year	-	12,895	12,895
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs	848,850	-	848,850
	848,850	-	848,850
Balance at 31 December 2009	1,430,067	26,069	1,456,136
First half 2009			
Balance at 1 July 2008	320,713	-	320,713
Profit for the half year	-	32,443	32,443
Total comprehensive income for the half year	-	32,443	32,443
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs	21,313	-	21,313
	21,313	-	21,313
Balance at 31 December 2008	342,026	32,443	374,469

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Asciano Finance Trust
Statement of Cash Flows
For the half year ended 31 December 2009

	First half 2010 \$000	First half 2009 \$000
Note		
Operating cash flows		
Interest received	115,339	241,915
Interest paid	(115,329)	(207,336)
Payments to suppliers	(1,928)	(162)
Net operating cash flows	(1,918)	34,417
Investing cash flows		
Repayment of loans to related parties	2,795,854	120,262
Amounts loaned to related parties	(1,452,186)	(200,968)
Net investing cash flows	1,343,668	(80,706)
Financing cash flows		
Proceeds from borrowings	590,700	154,500
Repayment of borrowings	(2,781,300)	(25,000)
Proceeds from the issue of units	7 848,850	11,890
Distributions paid	8 -	(95,101)
Net financing cash flows	(1,341,750)	46,289
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the half year	-	-
Cash and cash equivalents at the end of the half year	-	-

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Asciano Finance Trust
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

1. Basis of preparation of the half year report

This general purpose financial report for the half year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Asciano Finance Trust and Asciano Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year, with the exception of the amendments below.

Changes in accounting policy

The Trust has been required to change some of its accounting policies as the result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009.

The affected policies and standards are:

- principles of consolidation - revised AASB 127 Consolidated and Separate Financial Statements and changes made by AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate;
- presentation of financial statements – revised AASB 101 Presentation of Financial Statements; and
- business combinations – revised AASB 3 Business Combinations.

The changes were implemented prospectively from 1 July 2009. There has been no financial impact of these changes in the current period.

2. Segment reporting

The Trust is organised into one segment that operates solely in the business of sourcing external borrowings and on lending these to Asciano Limited and related entities. Consequently, no segment reporting is provided in the Trust's financial statements.

While the Trust operates from Australia only, the Trust may have receivable exposures in foreign currencies.

Asciano Finance Trust
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

3. Earnings per unit

	First half 2010 Cents	First half 2009 Cents
Basic and diluted earnings per unit	0.5	4.8
	\$000	\$000
Net profit attributable to unitholders of the Trust used in calculating basic and diluted earnings per unit	12,895	32,443
	'000	'000
Basic average number of ordinary units	2,710,515	682,885
Diluted weighted average number of ordinary units	2,710,693	682,885

4. Finance income and expense

	First half 2010 \$000	First half 2009 \$000
Interest income	122,841	234,565
Interest expense	(109,837)	(202,634)
Net finance income	13,004	31,931

5. Receivables

	December 2009 \$000	June 2009 \$000
Current		
Interest receivable from Asciano Limited	32,114	25,330
Interest receivable from Patrick Auto, Bulk & General Ports Pty Limited	717	-
Loans to Asciano Limited	802	2,692,668
	33,633	2,717,998
Non-current		
Loans to Asciano Limited	4,165,387	2,817,168
Loans to Patrick Auto, Bulk & General Ports Pty Limited	13,414	13,288
	4,178,801	2,830,456

Asciano Finance Trust
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

5. Receivables (continued)

The following table presents details of the outstanding loan balances and interest rates earned by the Trust:

	December 2009 \$000	Interest rate %	June 2009 \$000	Interest rate %
Loans to Asciano Group (NZ) Limited	-	-	13,288	10.8
Loans to Patrick Auto, Bulk & General Ports Pty Limited	13,414	10.8	-	-
Loans to Asciano Limited - syndicated debt ¹	2,735,209	5.0	4,925,808	6.9
Loans to Asciano Limited - equity ²	1,430,178	-	581,960	-
Loans to Asciano Limited - other ³	802	-	2,068	-
Total loans to related parties	<u>4,179,603</u>		<u>5,523,124</u>	

¹ 50 basis points above external borrowing rate for the financial period ended 31 December 2009.
50 basis points above external borrowing rate for six months to 31 December 2008 and zero basis
points above external borrowing rate for six months to 30 June 2009.

² In accordance with the terms of the loan agreement, in June 2009 the interest rate on this loan was set
at zero percent for the financial period ended 31 December 2009 and for the full year ended 30 June
2009.

³ The loan is at call and no interest applies.

The movement in the related party loans to Asciano Limited during the period are set out below:

	\$000
Balance at 1 July 2009	5,509,836
Proceeds from equity raising	848,850
Repayment of borrowings	(2,781,300)
Proceeds from borrowings	590,700
Other	(1,897)
Balance at 31 December 2009	<u>4,166,189</u>

Asciano Finance Trust
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

6. Loans and borrowings

	December 2009 \$000	June 2009 \$000
Current		
Secured bank borrowings	-	2,690,600
Non-current		
Secured bank borrowings	2,750,000	2,250,000

Loans and borrowings are secured by charges over Asciano Limited and each of the holding companies that sit immediately below Asciano Limited.

Bank facilities

The Trust's bank debt at 31 December 2009 stood at \$2,750.0 million (30 June 2009: \$4,940.6 million). The Trust had total committed credit facilities of \$3,390.0 million (30 June 2009: \$5,144.5 million), of which \$512.0 million (30 June 2009: \$132.6 million) were undrawn at 31 December 2009. The following table provides further details of the components of these facilities:

		December 2009		June 2009	
	Maturity	Total facility \$000	Utilised \$000	Total facility \$000	Utilised \$000
Syndicated term loan	Dec 2014	500,000	500,000	-	-
Syndicated revolving credit facility	Dec 2013	500,000	-	-	-
Syndicated term loan	May 2012	2,250,000	2,250,000	2,250,000	2,250,000
Syndicated term loan	May 2010	-	-	2,250,000	2,250,000
Capital expenditure facility	May 2010	-	-	550,000	440,600
Net bank debt		3,250,000	2,750,000	5,050,000	4,940,600
Working capital facilities ¹	Dec 2013	140,000	127,991	94,462	71,223
		3,390,000	2,877,991	5,144,462	5,011,823

¹ All of the utilised working capital facilities are in respect of performance bonds and bank guarantees.

The Trust borrows at floating rates of interest and holds assets, in the form of loans to related parties, that generally earn interest at floating rates. Consequently, the Trust's cash flows have no material exposure to adverse changes in benchmark interest rates. The extent of exposure stems from the net receivable position of the Trust.

Asciano Finance Trust
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

7. Equity securities issued

Movement in number of issued units	Date	Issue price \$	Number of units	\$000
December 2009				
Balance at 1 July 2009			1,218,837,054	581,217
Retail entitlement offer	21 July 2009	0.51	388,442,791	198,106
Conditional placement	27 July 2009	0.51	1,227,272,727	625,909
Security Purchase Plan ("SPP")	20 August 2009	0.50	91,551,311	45,776
Transaction costs			-	(20,941)
Balance at 31 December 2009			2,926,103,883	1,430,067

June 2009

Balance at 1 July 2008			656,596,506	320,713
Distribution Reinvestment Plan ("DRP")	26 August 2008	0.51	18,586,736	9,423
SPP	16 September 2008	0.51	23,634,082	11,983
Allocation interest ¹	30 June 2009	0.51	520,019,730	265,210
Transaction costs			-	(26,112)
Balance at 30 June 2009			1,218,837,054	581,217

¹ An allocation interest is the unconditional right to receive securities that were already paid for at 30 June 2009 but were only allotted on 1 July 2009.

8. Distributions

The Board of Directors did not determine that a distribution was payable in the current or prior period.

DRP

Distributions actually paid or satisfied by the issue of securities under the DRP were as follows:

	First half 2010 \$000	First half 2009 \$000
Cash paid to securityholders	-	95,101
Loan paid to Asciano Limited to satisfy issue of securities	-	46,474
Satisfied by issue of securities	-	9,423
DRP residual balance ¹	-	19
Total distribution	-	151,017

¹ DRP residual balance being the remaining balance which could not amount to one full security and will be carried forward to the next distribution reinvestment.

Asciano Finance Trust
Notes to and forming part of the financial statements
For the half year ended 31 December 2009

9. Subsequent events

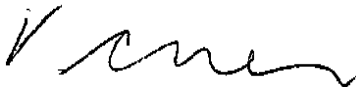
There has not arisen in the interval between the end of the half year and the date of this report, any item, transaction or event of a material and unusual nature, that in the opinion of the Board of Directors, affects the 31 December 2009 half year financial report.

Asciano Finance Trust
Directors' declaration
For the half year ended 31 December 2009

In the opinion of the Directors of Permanent Investment Management Limited, the Responsible Entity of Asciano Finance Trust:

1. The financial statements and notes, set out on pages 7 to 16, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Trust's financial position as at 31 December 2009 and of its performance for the half year ended on that date.
2. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.
3. The Trust has operated during the half year ended 31 December 2009 in accordance with the provisions of the Trust Constitution dated 1 March 2007 (as amended).

This declaration is made in accordance with a resolution of the Directors of the Responsible Entity.



Vicki Allen
Director

Sydney
24 February 2010



Independent auditor's review report to the unitholders of Asciano Finance Trust

We have reviewed the accompanying half-year financial report of Asciano Finance Trust (the Trust), which comprises the balance sheet as at 31 December 2009, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies and other explanatory notes 1 to 9 and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the Permanent Investment Management Limited (the Responsible Entity) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Trust's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Asciano Finance Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Asciano Finance Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Trust's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature of the KPMG firm, written in blue ink.

KPMG

A handwritten signature of Duncan McLennan, written in blue ink.

Duncan McLennan
Partner

Sydney

24 February 2010