



ASX ANNOUNCEMENT

Thursday 29 April 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

MARCH QUARTER UPDATE

Please find attached the March Quarter Operating Update for the Asciano Group.

Yours faithfully

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

Fiona Mead
Company Secretary

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ASX/MEDIA RELEASE

Thursday, 29 April 2010

March Quarter Operating Update

Asciano Group (Asciano), comprising Asciano Limited and Asciano Finance Trust, is pleased to report its key operating statistics for the three months from 1 January 2010 to 31 March 2010.

	3 Months Ended:			3 Months Ended:		
	Mar. '10	Mar. '09	Change	Mar. '10	Dec. '09	Change
Pacific National Coal						
Net Tonne Kms (m)	4,418	3,316	+33%	4,418	4,224	+5%
Comments:						
<ul style="list-style-type: none"> The increase in coal haulage volumes on last years corresponding quarter is predominately due to the incremental ramp up of the Queensland coal haulage contract requirements from 1 July 2009 Throughout the quarter there has been continued demand from New South Wales coal customers despite planned and unplanned track outages in the Hunter Valley. The strength in New South Wales was somewhat offset by lower than expected volumes in Queensland due to the operational impacts associated with Cyclone Ului and the extended wet weather in central Queensland. 						
Pacific National Intermodal						
Net Tonne Kms (m)	5,289	4,828	+10%	5,289	5,900	-10%
Comments:						
<ul style="list-style-type: none"> Steel volumes have improved during the March quarter, with steel tonnage up 62% on last years' corresponding quarter and up 12% on the December quarter on the back of improved steel demand from the construction sector. Total containerised freight volumes have remained steady for the March quarter with volumes marginally up by 1% (as measured by Twenty-foot Equivalent Units (TEUs)) on last years' corresponding quarter. When compared with the December quarter, the March quarter volumes (TEUs) are down 14% which is in line with normal post peak cyclical trends. The Express business continues to grow, with March quarter volumes (TEUs) up 8% on last years' corresponding quarter. 						
Patrick Container Ports						
Container Lifts ('000)	435	430	+1%	435	494	-12%
Comments:						
<ul style="list-style-type: none"> The March quarter saw growth in Melbourne (+7%) and Brisbane (+1%) when compared with the previous corresponding period. This was offset by a decline in Sydney volumes (-2%) and Fremantle (-5%). Volumes in Sydney for the quarter were impacted by the closure of the terminal in late March following the tragic death of one of our employees. When compared with the December quarter, the March quarter volumes are down 12% which reflects normal post peak cyclical trends. 						

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	3 Months Ended:			3 Months Ended:		
	Mar. '10	Mar. '09	Change	Mar. '10	Dec. '09	Change
Auto, Bulk and General						
Autocare:						
Vehicle Movements ('000)	275	220	+25%	275	270	+2%
Vehicle Storage Days ('000)	2,031	4,643	-56%	2,031	1,710	+19%
Bulk/Gen. Port Tonnes('000)	3,590	7,064	-49%	3,590	3,819	-6%
Bulk Rail NTKs (m)	802	981	-18%	802	751	+7%
Comments:						
<ul style="list-style-type: none"> Vehicle movements have improved over the last 6 months with market conditions in the March quarter very similar to the December quarter reflecting continuing strength in motor vehicle sales. Storage days increased during the quarter however this is largely seasonal. Current storage levels remain at record lows reflecting lower inventory levels post the Global Financial Crisis (GFC). Bulk and General tonnes were impacted by a Western Australia grain company's decision to bring stevedoring of exports in-house. Excluding grain, bulk and general cargo volumes for the March quarter improved (up 14 %) on the prior corresponding period. and are returning to pre GFC levels. This was offset by some seasonality in the March quarter. Bulk Rail non export grain volumes improved due to strength in the construction and minerals sector during the period. This was offset by lower grain export volumes reflecting softer grain export sales off the back of the high Australian Dollar and large stocks of grain held worldwide. 						

Commenting on the operating results for the quarter, Asciano Chief Executive Officer and Managing Director, Mark Rowsthorn said: "Overall volumes for the quarter were in line with management expectations. We continue to be pleased with the performance of our bulk businesses, in particular coal. The strength in coal volumes reflects our ramp up in the Queensland coal haulage market and sustained growth in customer demand in New South Wales."

Reflecting on the containerised markets, Mr Rowsthorn commented: "The continuing volatility in the non-bulk businesses is reflected in the marginal growth in both port container volumes and intermodal containerised freight volumes. This softness in volumes, although consistent with seasonal trends, highlights the fact that we remain behind pre GFC trading conditions."

"We continue to affirm that we are yet to see signs of a sustained underlying recovery, and we will continue to take a cautious view on the remainder of this financial year", he said.

Further information about Asciano can be found on our internet site: www.asciano.com

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