

SE Business
HD **Asciano chief bides time on Patrick sale**
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ASCIANO chief John Mullen says he is in no hurry to sell a **stake** in its Patrick Ports business but he expects to make a decision "one way or the other" in the coming months.

Mr Mullen, delivering the **company**'s first quarter update yesterday, said the **company** was not going to sell the **stake** "cheap".

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Market speculation suggests Asciano is in talks with **China** Merchants to sell close to half its stevedore **company** Patrick for about \$1.1 **billion**. State-owned **China** Merchants has ports, shipping and logistics **operations** and through a deal could provide Asciano with an operating presence in **China**.

"There is no particular panic or hurry on the other parties' side, or ours. We will just keep that going forward and I would hope that in the next few months we would have some progress one way or another," he said.

"We are not just negotiating with one party ... there are a number of opportunities potentially open to us here." The chief executive added that while it was portrayed in the media that the world had "turned upside down" while Asciano was negotiating with these parties, the reality was that the division had not been affected by the deal talks.

"Provided that remains the case, then there is no, or little, downside to seeing these things through for however long they take." The **company** highlighted that for the first quarter of 2015, **coal** tonnes hauled had increased, but it was only a slight increase in Queensland given there were maintenance outages in the Goonyella network and stockpile issues.

Mr Mullen said that while **coal** haulage volumes continued to remain at high levels, volumes across its other businesses remained patchy.

"In response to this environment we are very focused on our business improvement programs and in particular the integration of our two rail businesses," he said.

Asciano continued to expect underlying EBIT growth in 2015 to be higher than the underlying EBIT growth of 5 per cent reported in 2014. "At this stage we see no reason to change the outlook we gave at the beginning of year ... we feel quite positive for the year," Mr Mullen said.

"Volumes are flatter than where we would like across many areas but they are in line with what we expected, unfortunately." **China**, in efforts to burn cleaner **coal**, recently introduced import restrictions on lower quality **coal**. The economic powerhouse also introduced a tariff on imports, which is set to be removed for Australian producers once the two countries finalised a free-trade agreement. Mr Mullen said at this stage there did not seem to be any impact on Asciano's **coal** producing customers. "When we talk about the tariff, the dollar coming down is offsetting that at the moment," he said. "At this stage none of our major customers have changed their volume outlook."

CO ascian : Asciano Ltd. | Iclaus : Patrick Corp

IN itsp : Transportation/Shipping

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