

CONFIDENTIAL

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PORTS UPDATE REPORT

**REPORT ON CONTAINER MOVEMENTS AT FOUR
KEY AUSTRALIAN PORTS**

ISSUE 5

23 November 2009

PORTS UPDATE REPORT

Report on Container Throughput - Trends at Four Australian Ports

Report No 5

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Introduction

The global economic slowdown is continuing to have an impact on the quantity of goods traded through Australia's key container ports. Container trade statistics fluctuate from month to month and it is useful to look at longer term trends in container trade covering both exports and imports to establish a better picture of what is occurring.

This 5th report covers port performance in four ports over the 1st quarter of the financial year 2009/10. The four ports reported on are Port Botany, Port of Melbourne, Port of Brisbane and Port of Fremantle. The data utilized in this report has been collected from the relevant port authorities.

The first part of the report contains individual graphic representation of container throughput in each of the four ports. The first Chart for each ports shows trends over 2008-09 with a comparison of the same period one year previously, while the second Chart for each port shows the trend over the first quarter of 2009/10 compared to the same period one year ago, followed by a short interpretation of the data.

The second part of the report summarizes the container trends aggregated across the four ports, also with a comparison of the same period one year previously.

At **Attachment A** are the detailed statistics for reference.

Container throughput in four ports

In the following figures, 'total' indicates the combined import and export TEUs in a particular month. 'Previous period' means the data from the same month in the previous financial year.

Port Botany

Chart 1

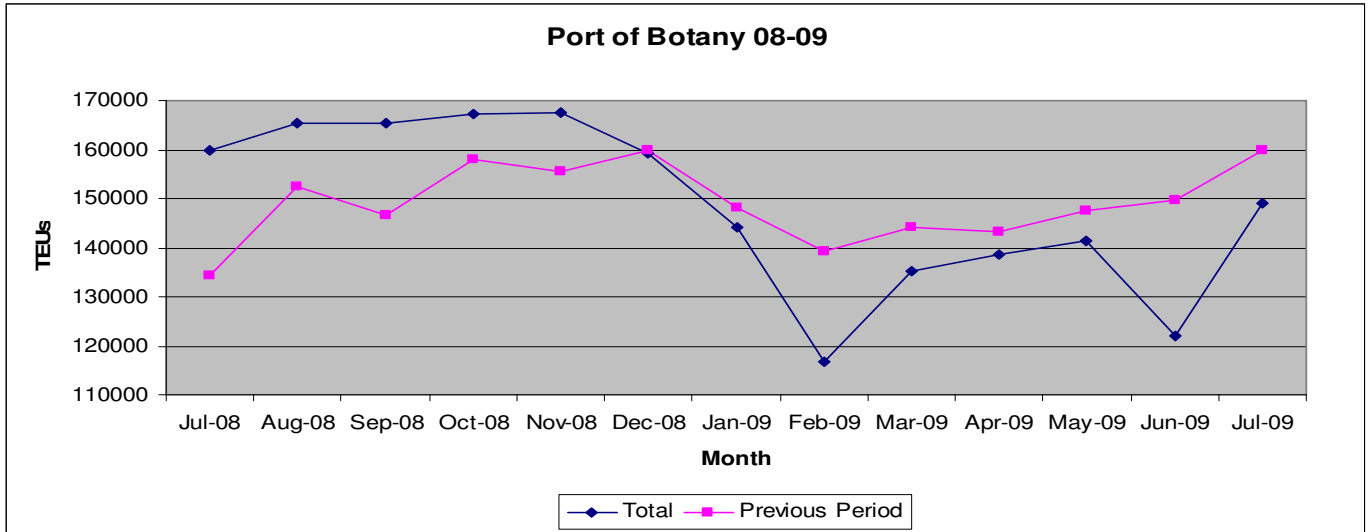
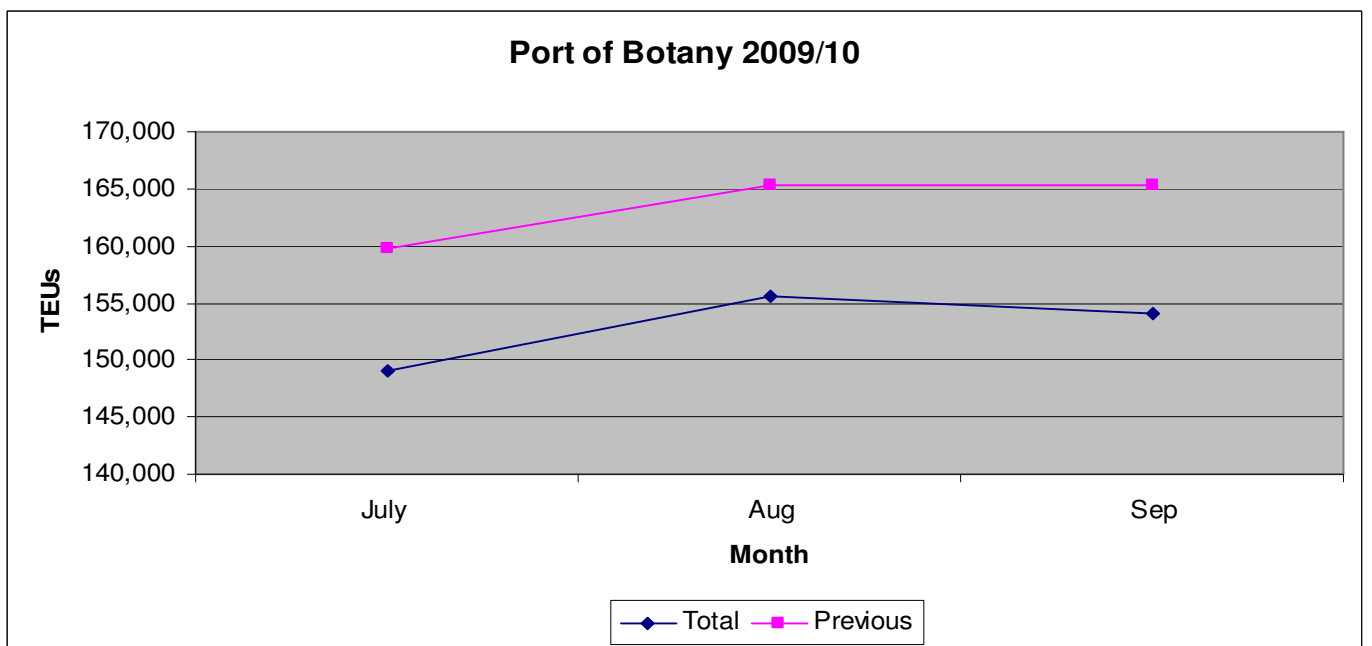


Chart 2



Source: Sydney Ports Corporation <http://www.sydneyports.com.au/>

Interpretation

The data shows that the sharp increase in volumes commencing in June 2009 (from a low base) continued through to August 2009 but tapered off over September 2009. Overall, container trade performance for the September quarter 2009/10 was 459,000 TEUs, down 6.4% on the same period last year. This is mainly due to a drop in import activity from East Asia (-3.1%), South East Asia (-6.1%), Europe (-13.9%) & Oceania (-23.8%). This was partially offset by increases in import trade with North America (2.1%), Africa (10.6%) and the Middle East (10.0%).

Major countries contributing to the decline in imports were New Zealand (-23.1%) Germany (-23.1%) Hong Kong (-26.0%) Singapore (-24.2%) & Japan (-15.9%).

As such, total full container imports for YTD September 2009/10 reached 231,800 TEUs, down 6.3% on the corresponding period last year.

Strong export growth has been experienced to markets such as Singapore (up 34.3%), Malaysia (up 17.5%), Vietnam (up 207.3) other Australian ports (up 7.2%) & India (up 56.6%).

Port of Fremantle

Chart1

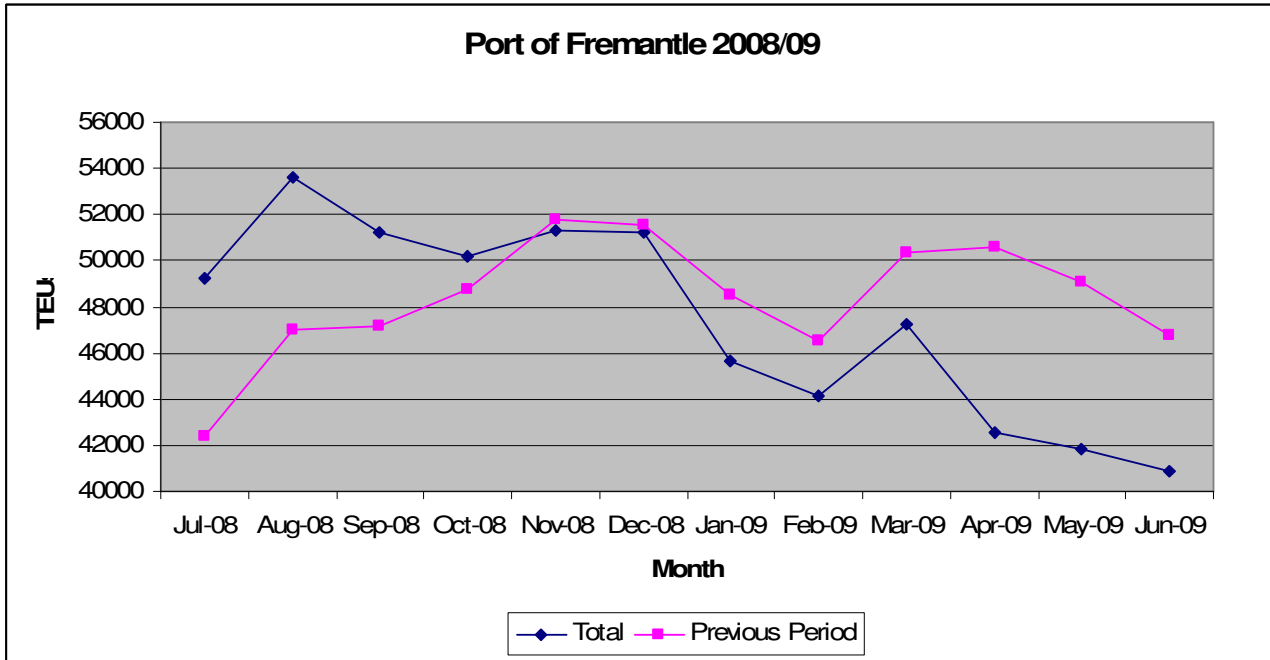
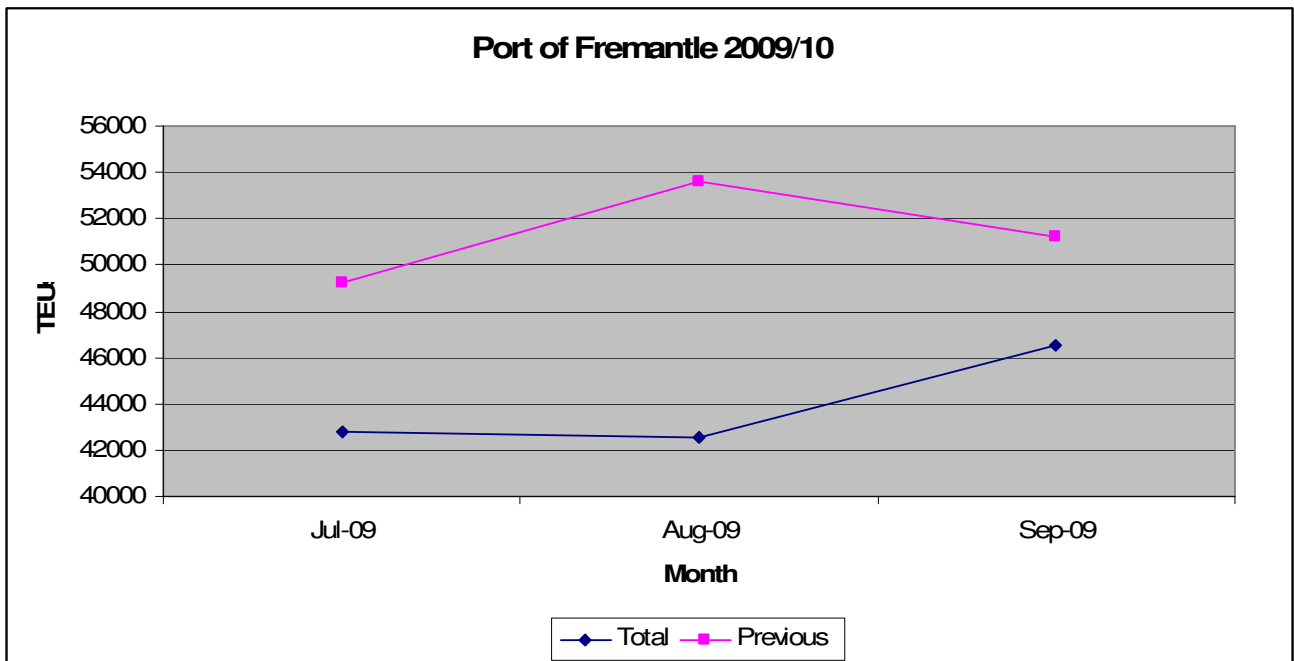


Chart 2



Source: Fremantle Port Authority <http://www.fremantleports.com.au/>

Interpretation

The data shows that the downward trend in container trade commencing at end 2008 continued in the July/August period and has started to increase again in September. We will need to wait for the next quarter data to assess if this pick continues.

Container trade in the September quarter 2009/10 was 14.4% lower than in the September Quarter 2008/09.

Container trade for September 2009 compared to September 2008 was down by 9.2%. Full import volumes were 11.3% lower than September 2008. Full export volumes were 14.4% lower than September 2008.

Port of Melbourne

Chart 1

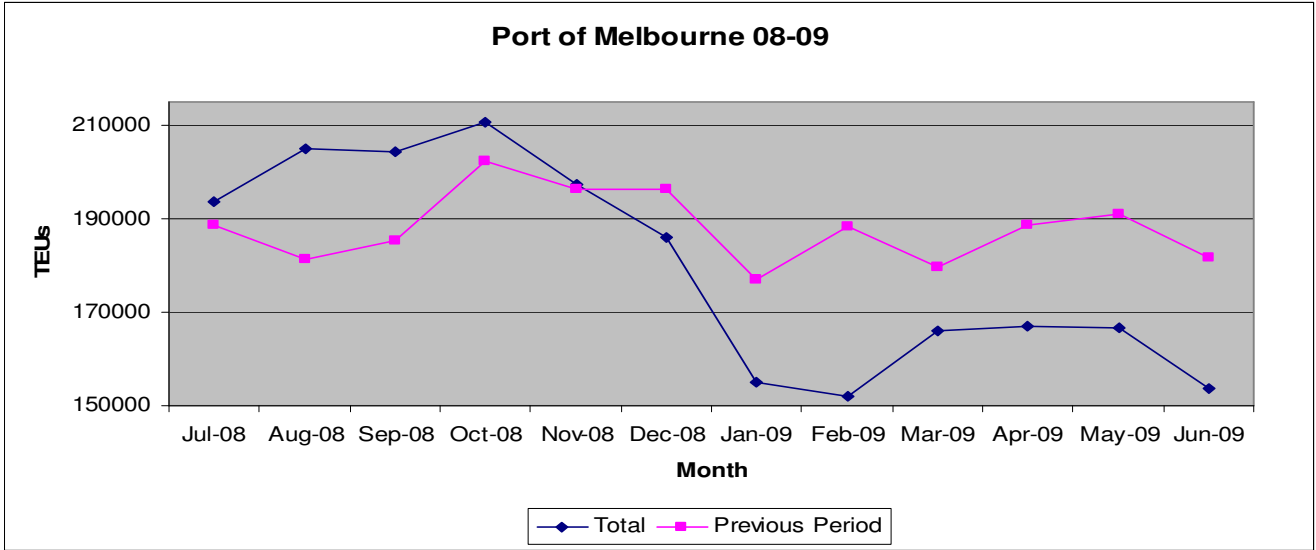
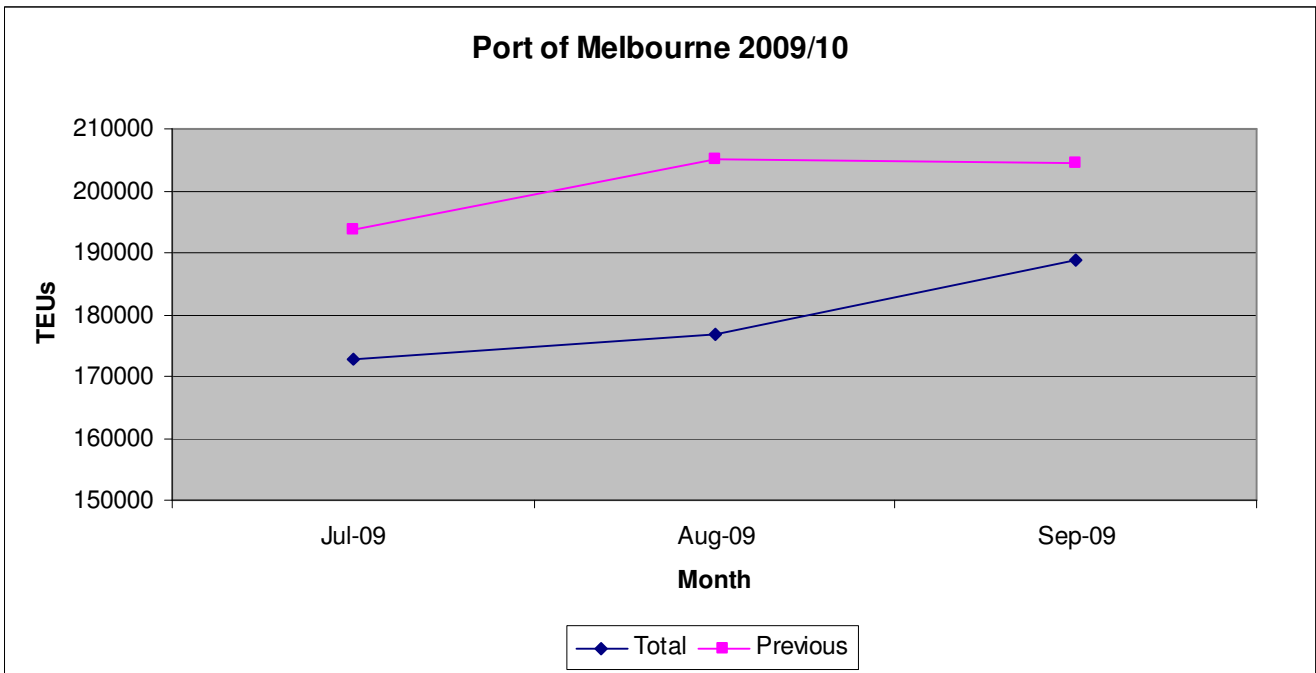


Chart 2



Source: Port of Melbourne Corporation <http://www.portofmelbourne.com/>

Interpretation

The data shows that container throughput in the Port of Melbourne is maintaining a positive recovery over the first quarter of 2009/10, following a period of flat trade over most of 2009, but this is coming off a low base in June 2009.

Port of Brisbane

Chart 1

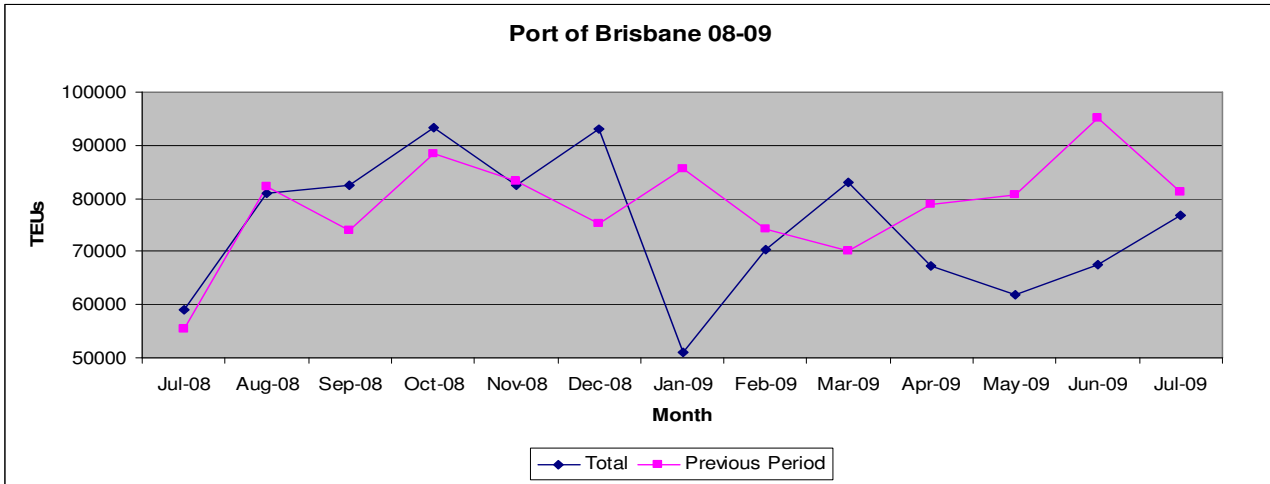
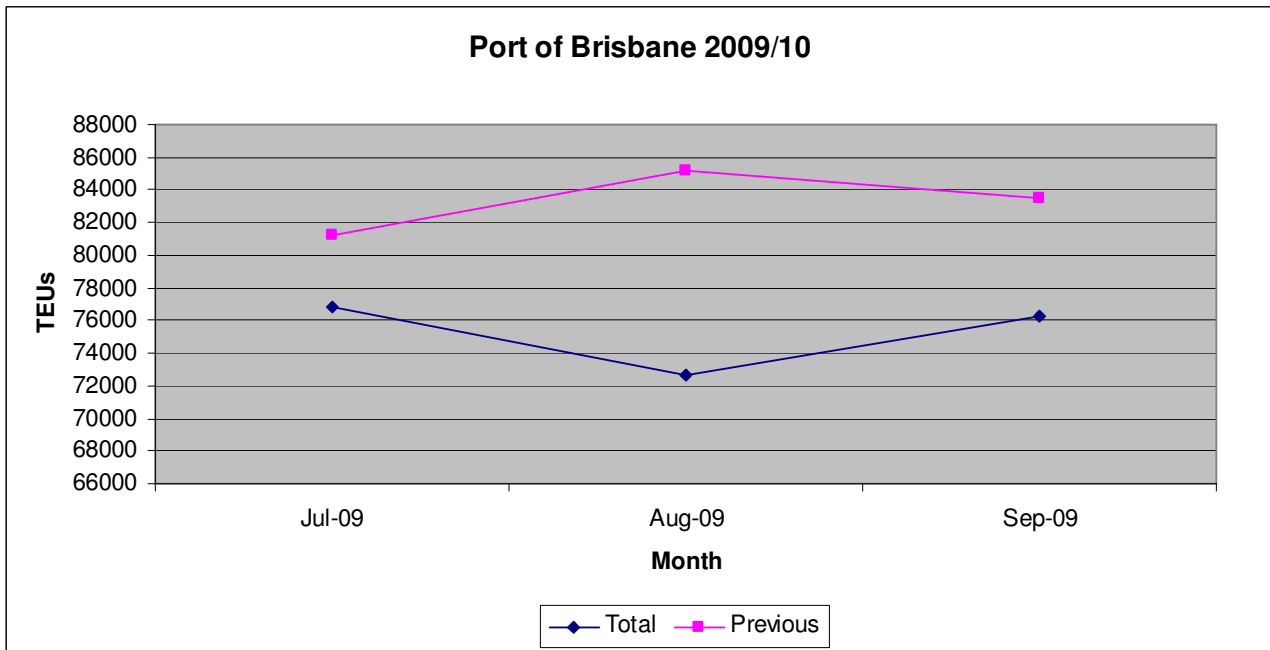


Chart 2



Source: Port of Brisbane Corporation <http://www.portbris.com.au/>

Interpretation

The data shows that the gradual increase in volumes that commenced in May 2009 has continued with a slight reversal in August. Overall, Port of Brisbane volumes are close to what they were 12 months previously.

Aggregated four port observations

The recovery from the Global Financial Crisis is showing up across all four ports, with either steady or increasing volumes over the September 2009/10 quarter.

Although the total volumes of container throughput in the four ports have not reached the same levels at this time in the previous year, the modest upward trends in growth that occurred during the September quarter 2009/01 indicates that volumes could return to post GFC levels in the next 12 months.

Chart 1

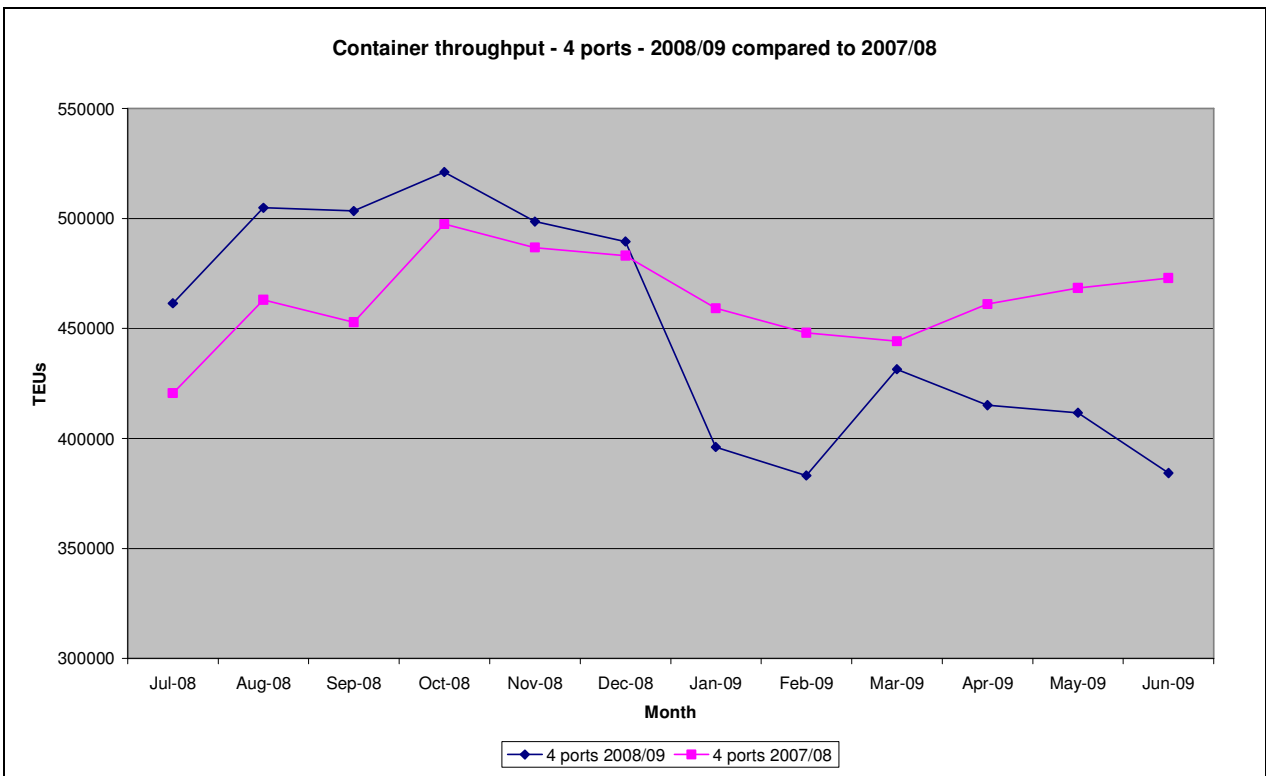


Chart 2

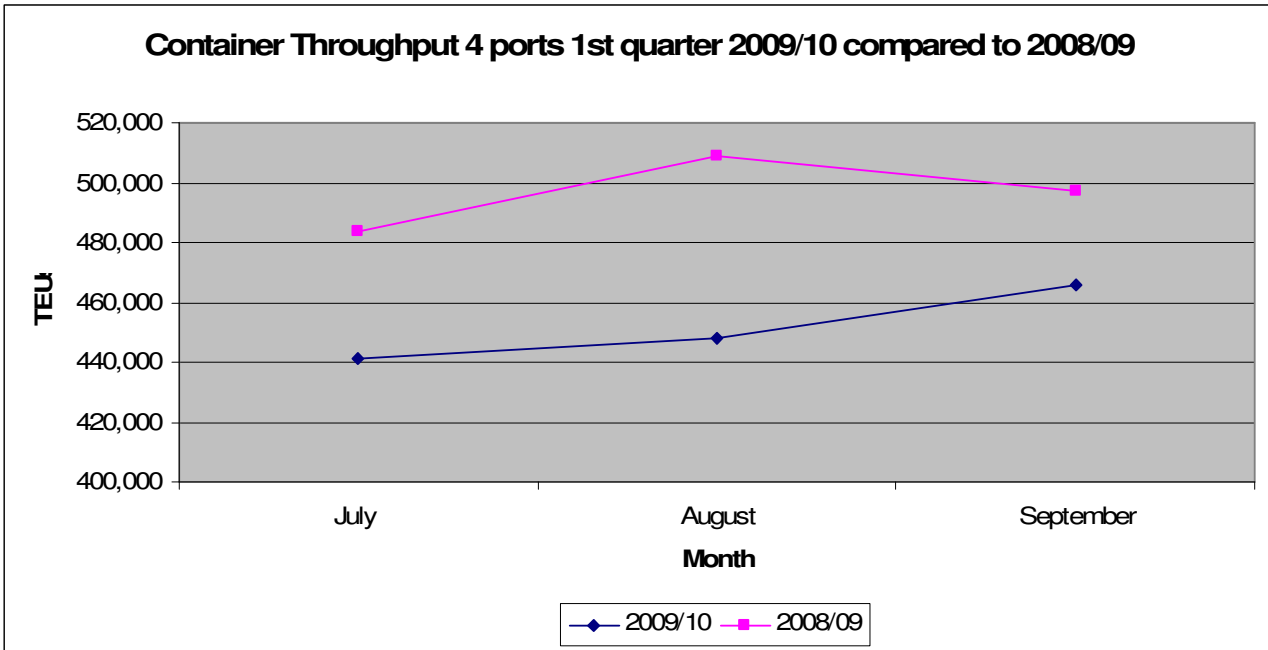
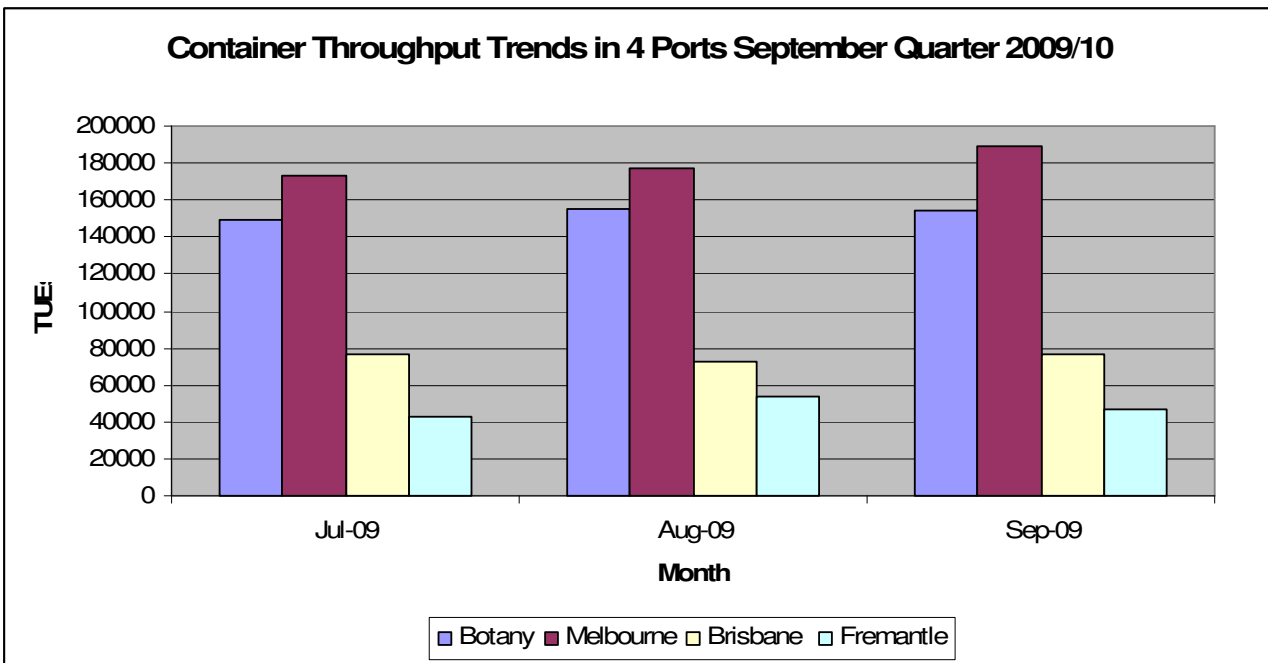


Chart 3



Port Botany 2009/10

| Month | Export | Import | Total | Previous | % |
|--------|--------|--------|---------|----------|----------|
| Jul-09 | 71,397 | 77,602 | 148,999 | 159,698 | 0.933005 |
| Aug-09 | 75,435 | 80,180 | 155,615 | 165,266 | 0.941603 |
| Sep-09 | 74,179 | 79,936 | 154,115 | 165,333 | 0.932149 |

Port of Fremantle 2009/10

| Month | Export | Import | Total | Previous | % |
|--------|--------|--------|-------|----------|----------|
| Jul-09 | 20443 | 22309 | 42752 | 49250 | 0.868061 |
| Aug-09 | 18905 | 23623 | 42528 | 53595 | 0.793507 |
| Sep-09 | 22769 | 23743 | 46512 | 51198 | 0.908473 |

Port of Melbourne 2009/10

| Month | Export | Import | Total | Previous | % |
|--------|--------|--------|--------|----------|---------|
| Jul-09 | 82452 | 90309 | 172761 | 193600 | 0.89236 |
| Aug-09 | 85615 | 91294 | 176909 | 205104 | 0.86253 |
| Sep-09 | 92807 | 95948 | 188755 | 204398 | 0.92346 |

Port of Brisbane 2009/10

| Month | Export | Import | Total | Previous | % |
|--------|--------|--------|-------|----------|---------|
| Jul-09 | 40129 | 36668 | 76797 | 81217 | 0.94557 |
| Aug-09 | 33825 | 38847 | 72672 | 85231 | 0.85264 |
| Sep-09 | 35920 | 40342 | 76262 | 83447 | 0.91389 |