



Gladstone Ports Corporation Limited (GPC) Forecast Report 2010-11

Released: 30 July 2010

Introduction

GPC has continued to perform well in 2009-10 resulting in actual financial performance exceeding budget. GPC has performed well in respect to tonnage throughput despite the impact of poor weather events resulting in mine flooding and restricted rail capacity. GPC's safety performance has been below expectations. GPC is continuously working on implementing a safe working environment and will make this a major focus of the 2010-11 financial year.

	Forecast for 2010-11*	Explanation
Earnings Before Interest and Taxation (EBIT)	\$92.7M	GPC expects profits to remain stable in 2010-11 as tonnage throughput increases are already offset by existing take or pay contracts.
Total Trade Throughput (million tonnes)	90.39	GPC forecasts tonnages to be a new Port record in 2010-11 due to increased throughput of coal.

Strategic Priorities for 2010-11

Building on previous years' strategy GPC will continue to target improvements in operational efficiency at its coal handling terminals. This will be achieved through continued implementation of the outcomes of a three year Continuous Improvement Program, the implementation of a train recognition system and working with coal chain providers through the Capricornia Coal Chain Maximisation Project.

GPC will continue to facilitate the expansion of industry in its ports, most notably assisting the establishment of a Liquid Natural Gas (LNG) industry in Gladstone and the proposed construction of a new coal handling facility at Wiggins Island. GPC will also continue to work with proponents looking to establish in our ports.

GPC will continue to monitor and improve its environmental performance to ensure that operations remain environmentally sustainable. This will include continued implementation of the recommendations from the Coal Exporting Terminal Best Practice Benchmarking Study.

Major Projects for 2010-11

- The second year of a \$35M upgrade to the electrical control systems at RG Tanna Coal Terminal. This will improve terminal efficiency to allow GPC to meet increasing customer demand for coal throughput.
- Completion of a \$2.4M wind barrier at Barney Point Coal Terminal to reduce the dust impacts on the local community.
- Commencement of the Environmental Impact Statement process for channel duplication and the establishment of a new marina facility at Boyne Island.

Market Environment in 2010-11

GPC expects global demand for coal to continue to increase which will drive the additional tonnage throughput as GPC targets 67Mt of coal throughput in 2010-11. GPC is forecasting other existing industries to remain stable in 2010-11.

This report has been prepared based on information available as at 30 May 2010 and has been prepared for general information purposes. Representations made in this report are forecasts only, are subject to change and should not be relied upon. *The financial information provided in this document is unaudited.