

15 April 2020

Singapore Exchange Securities Trading Limited
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Singapore 068807
Republic of Singapore

Dear Sir/Madam

EMTN Programme

Issuer: Pacific National Finance Pty Ltd
Securities: ASCIANO FINGBP300M5%N230919
ASCiano FINUS\$400M4.75%N280322

Pacific National Holdings Pty Ltd provides the attached business update in relation to the nine months ended 31 March 2020, with a specific focus on impacts currently seen in relation to COVID-19.

Yours faithfully



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Pacific National Pty Ltd
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Pacific National COVID-19 Debt Investor Update

April 2020

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Business and Financing Update during COVID-19



Freight classified as an “Essential Service” by various State/Territory Governments; PN volumes holding up well despite COVID-19

Year-to-Date Volumes

Metric	Mar-20	Mar-19	Change
Total NTK's (millions)	44,412	44,377	0.1%
Coal NTK's (millions)	24,239	24,211	0.1%
Freight NTK's (millions)	20,173	20,165	0.0%
Total Tonnes (millions)	137.6	136.3	0.9%
Total TEU's ('000)	639	665	(3.9%)

NTK – Net Tonne Kilometres; TEU – Twenty Foot Equivalent Unit.

Cash Flow & Financing

- PN paused capital markets refinancing activity in March due to COVID-19
- PN has drawn down A\$600m on bank lines in advance of its upcoming Sep-20 A\$643m bond maturity
- PN is well progressed on an extension of its existing \$500m Sep-21 bank facility to push it out to 1 July 2025
- As at 31 March 2020 PN had \$730m in cash and undrawn bank lines of A\$600m
- Growth capital expenditure scaled back

Business Update

- Containerised Freight volumes have been strong over the last month due to what is understood to be supermarket restocking – however this pandemic is unprecedented, unpredictable and pervasive. Current consumer demand could deflate quickly
- In the lead in to Easter PN increased train services to Western Australia by 15% and to Brisbane by close to 10%
- Construction volumes are down significantly while mineral volumes are steady
- Metallurgical and thermal coal volumes have largely held up well and any volume impacts have generally been customer or weather related
- Lower revenue and EBITDA from grain volumes in FY20 with volumes to remain low until the next harvest
- External factors including drought, bushfires, floods, COVID-19, track closures and customer interruptions as well as price pressures, insurance and impacts to PN's transformation program all affecting FY20 EBITDA