20 December 2007

The Manager

Company Announcements Office

Australian Stock Exchange
Level 45, South Tower Rialto
525 Collins Street
MELBOURNE VIC 3000

ELECTRONIC LODGEMENT

Dear Sir or Madam

Brambles shareholding

Asciano Group advises that it has reduced its shareholding interest in Brambles from 4.09% to 3.44%[1]. The proceeds from the disposal of this interest will be applied to reduce Asciano's debt.

Asciano confirms that it has fully recovered the holding costs of its Brambles shareholding for the period until 28 February 2008.

In relation to its remaining shareholding in Brambles, Asciano confirms that its strategy continues to be one that is designed to maximise the value for Asciano and to minimise the holding costs of the shareholding.

Financial Position

Asciano would also like to correct and clarify certain statements recently published by Merrill Lynch in a report titled "Debt exposure remains well hedged". As stated in Asciano's Investor Briefing on 11 December 2007:

- The board of Asciano has adopted a policy to obtain and maintain an investment grade long term credit rating;
- Asciano's gearing is below comparable international port and rail operators and domestic infrastructure companies;
- Asciano's gearing is supported by leading market positions in our core operations, long term customer relationships and contracts, a history of strong growth, and a world class portfolio of transport infrastructure assets;
- As at 31 December 2007, Asciano expects to have over $700 million in cash on hand and committed available facilities;
- A total of $258 million of facilities mature in the current 2008 financial year – this is less than 5% of Asciano's total facilities in place;

[1] Exact percentages are subject to the number of shares bought and cancelled by Brambles under its current on-market buy-back scheme.

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- Asciano has hedged 60% of its interest rate exposure in the current 2008 financial year and 66% of its interest rate exposure in the 2009 financial year. The weighted average maturity of interest rate hedges in place exceeds 4 years; and

- The weighted average fixed rate payable by Asciano under its interest rate hedges is 6.45% - this is a full 100 basis points below the current 5 year swap rate.

In addition to the above, Asciano notes:

- The $258 million in commitments maturing in May 2008 are used for working capital and general corporate purposes. Asciano has absolute confidence in its ability to extend or replace these facilities in due course; and

- Furthermore, outstandings under these facilities presently consist exclusively of contingent liabilities in the form of bank guarantees and performance bonds. There are no cash drawings against these facilities. Consequently, Asciano has no debt requiring repayment in the current financial year, and less than 10% of borrowings are due for repayment in the next two financial years.

Yours faithfully

J. Mead

Fiona Mead
Company Secretary