



21 April 2008

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,

Asciano Consortium Selected as Preferred Bidder for Saudi Landbridge Project

I attach the following media release for immediate release to the market.

Yours faithfully,

A handwritten signature in black ink that reads "F. Mead".

Fiona Mead
Company Secretary

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Media Release

21 April 2008

Asciano Consortium Selected as Preferred Bidder for Saudi Landbridge Project

The Tarabot consortium, comprising Asciano and its seven Saudi Arabian partners, has been selected as the preferred bidder to deliver the A\$7 billion Saudi Landbridge project.

The Saudi Landbridge will connect Riyadh, the largest city and capital of the Kingdom of Saudi Arabia, with the major port cities of Jeddah and Dammam. The project involves the management and upgrade of the existing network between Riyadh and Dammam together with the construction of more than 1,000km of rail track, and the rail haulage of containerised and bulk freight across the entire network.

Asciano Managing Director Mark Rowsthorn said "the project is extremely attractive to Asciano as it will deliver high returns from a growing freight market with limited capital investment required by Asciano. Our partners include high profile Saudi and international investors that are highly respected in the region."

The project is structured as a 50-year concession to build, own, operate and transfer the network, with the Tarabot consortium owning 80% of the concession company and the Kingdom of Saudi Arabia holding the remaining 20%.

Subject to finalising consortium arrangements prior to financial close, Asciano expects to hold a 5% equity stake in the Tarabot consortium vehicle. In addition, Asciano will be a significant shareholder in the operations and maintenance company as contractor to the concession company. Asciano's rail subsidiary Pacific National will provide a number of services including the secondment of staff to the operations and maintenance company, which will provide all rail services and manage and maintain the track network. Asciano is in ongoing discussions with its consortium partners regarding the financing of the concession company and the Tarabot consortium vehicle. Asciano's maximum capital commitment is expected to be approximately US\$100m.

Mr Rowsthorn said "Asciano will earn multiple revenue streams as a result of its investment in the consortium vehicle, its ownership stake in the operations and maintenance company, and the unique operating capability of Pacific National. Consequently, Asciano expects to generate a very attractive return on capital employed, and substantially higher than we would earn if we were simply an equity investor. The ability to leverage our operating capabilities into new and lucrative opportunities is a key competitive strength and strategic objective of Asciano".

"The Kingdom of Saudi Arabia is the largest economy in one of the world's fastest growing regions. Achieving preferred bidder status for the Landbridge project and our ongoing relationship with our Saudi partners should provide Asciano with access to other port and rail opportunities proposed for this thriving region" Mr Rowsthorn added.

The consortium expects to reach financial close on the project within the next twelve months, with construction to commence shortly after financial close. Further details on the project can be found at www.saudirailexpansion.com

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