



5 May 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,

Restructure of Export Grain Business

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

att

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Media Release

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RESTRUCTURE OF EXPORT GRAIN BUSINESS

Asciano Group announces that it has finalised agreements with GrainCorp to provide export grain rail haulage services that will deliver commercially viable outcomes for Asciano for the next five years.

Under the new agreements, Asciano's rail subsidiary, Pacific National, will contract to GrainCorp eight trains that will service GrainCorp's export haulage requirements in NSW and Victoria on a take or pay basis. Pacific National will benefit further through additional variable payments for export grain volumes moved.

"Securing a take or pay contract with GrainCorp reduces Asciano's risk in its grain segment and will ensure an acceptable rate of return for our dedicated grain assets", Mr Rowsthorn said. "We are very pleased to have reached a conclusion that drives supply chain efficiency and satisfies the needs of the grain industry and of Asciano security holders."

Mr Rowsthorn commented, "the Australian Bureau of Agricultural and Regional Economics is predicting a bumper winter grain crop this year. Asciano will be well placed to benefit from any upside while ensuring the grain business remains viable in the event that drought conditions persist".

In concert with these new arrangements, Asciano has resolved its Broadacre obligations with the NSW Government and will, as was originally intended, invest in the future of the export grain rail haulage market in NSW.

This \$70 million Broadacre obligation will reduce by \$30 million upon the transfer of a number of 'branch line' rail assets that Asciano no longer intends to operate beyond the date of transfer. These assets will be transferred from Asciano to an entity nominated by the NSW Government. Certain elements of ongoing maintenance capital expenditure on main line locomotives used in the NSW export grain business will be credited against the remaining obligations. As a consequence, Asciano expects its obligations under the Broadacre agreement to reduce to zero within 5 years.

Mr Rowsthorn noted, 'The NSW Government is to be commended on its leadership in ensuring that Asciano continues to invest in the NSW grain network, whilst also assisting in ensuring a commercially viable outcome for both Asciano and GrainCorp.'