



8 July 2008

Mr James Gerraty
Manager, Issues, Melbourne
Australian Stock Exchange
Level 45, South Tower Rialto
525 Collins Street
MELBOURNE VIC 3000

Dear Mr Gerraty

RE: PRICE QUERY

We refer to your letter dated 8 July 2008 in relation to the change in price in Asciano Group ("**Asciano**") securities. In response to your letter, Asciano notes the following:

1. Asciano is not aware of any information concerning it which, if known, could be an explanation for recent trading in securities in Asciano.
2. Not applicable
3. As Asciano was created as part of the Toll Holdings Limited restructure effective on 15 June 2007, the expected operating profit for the financial year to 30 June 2008 is not directly comparable to the operating profit for the financial year to 30 June 2007. However, it should be noted that on 3 March 2008, Asciano provided updated earnings guidance for the year to 30 June 2008. The guidance provided was for EBITDA excluding "significant items", and adjusted to exclude the trading period from 15 to 30 June 2007, in the range of \$650 million to \$660 million. Asciano continues to expect earnings for the financial year to 30 June 2008 to be within this range.
4. Asciano expects to announce a number of "significant items" with its results for the financial year to 30 June 2008. These are expected to include a write-down in the carrying value of Asciano's Pacific National export grain haulage assets, restructure costs relating to the restructure of the grain business, and demerger and establishment costs, all of which were disclosed with Asciano's interim results for the period to 31 December 2007. It should be noted that the final amount of each of these significant items will be subject to review by Asciano's external auditors, and may vary from the amounts disclosed with the interim results. Asciano does not anticipate any such variations being material, but notes in particular that the write-down of the value of the grain assets as at 31 December 2007 may be reduced as a

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result of the subsequently announced restructured grain haulage contracts with GrainCorp. In addition, Asciano expects to announce a realised loss on the sale of Asciano's stake in Brambles Limited (which was announced to the ASX on 3 April 2008) of approximately \$100 million as a significant item.

5. Asciano has previously advised the market of a range of new growth initiatives being pursued by Asciano. These include Asciano's intended entry into the Queensland coal haulage market, Asciano's proposed investment in the Saudi Landbridge project and the continued expansion of Asciano's Fisherman Islands container terminal in Brisbane, amongst other opportunities. As previously advised, Asciano is considering a range of options in respect of the financing of these attractive growth opportunities. These options include, but may not necessarily be limited to:
- a full or partial divestment of one or more of Asciano's existing businesses or assets, either directly or by way of a structured sale;
 - the introduction of strategic investors/partners into new growth opportunities; and/or
 - the sourcing of additional capital through the issue of new equity, debt, hybrid and/or convertible securities.

Asciano is aware of recent media speculation regarding the potential for Asciano to raise additional equity. No decision has been made in respect of any preferred funding option. Asciano will continue to assess a range of options and consider a range of factors in determining the optimum financing strategy for future growth.

There is no other explanation Asciano has for the price change in Asciano securities.

6. Asciano confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.

Asciano is happy for a copy of this letter to be released to the market through the Company Announcements Office.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'F. Mead', written in a cursive style.

Fiona Mead
Company Secretary



8 July 2008

Fiona Mead
Company Secretary
Asciano Group
MELBOURNE

By email only

Dear Fiona

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Asciano Group (the "Group")

RE: PRICE QUERY

We have noted a change in the price of the Group's securities from \$3.37 at the close of trading yesterday to \$2.96 at the time of writing.

In light of the price change, please respond to each of the following questions.

1. Is the Group aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Group?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating profit before abnormal items and income tax so that the figure for the financial year ended 30 June 2008 would vary from the previous financial year by more than 15%? If so, please provide details.
4. Is there any reason to think that the Group may record any material abnormal or extraordinary profit for the financial year ended 30 June 2008? If so, please provide details.
5. Is there any other explanation that the Group may have for the price change in the securities of the Group?
6. Please confirm that the Group is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by email at james.gerraty@asx.com.au. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. (E.S.T) on Wednesday, 9 July 2008).

The response must be in a form suitable for release to the market. If you have any concern about release of a response, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Group's securities. As set out in listing rule 17.1 and the guidance note titled "Trading halts" we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

Sent electronically without signature

James Gerraty
MANAGER ISSUERS, MELBOURNE