

ASX/MEDIA RELEASE

Wednesday, 17 June 2009

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Successful institutional equity raising; Underwritten issue size increased by \$350 million

Asciano Group ("Asciano") today announces that it has successfully completed the allocation of securities under the entitlement offer, and placements, to institutions as part of its recently announced equity raising. In response to strong demand from institutional investors, Asciano also announces that the total underwritten issue size has been increased from \$2,000 million to \$2,350 million.

A total of \$1,922 million has been committed by institutional investors, comprising the following fully underwritten components:

- \$341 million from the institutional component of the entitlement offer ("Institutional Entitlement Offer")
- \$231 million from the unconditional placement ("Unconditional Placement")
- \$1,350 million from the conditional placement ("Conditional Placement")

In addition, the retail component of the Entitlement Offer of approximately \$428 million ("Retail Entitlement Offer") is fully underwritten.

Asciano's Chairman, Mr Tim Poole said "We are delighted with the support that we have received for the equity raising.

In assessing a potential increase in the size of the issue, we have considered a range of factors, including:

- the level of demand from investors relative to the number of securities offered in the issue;
- the impact on the level of debt reduction and resulting gearing for Asciano;
- the impact on the range of options for restructuring Asciano's capital structure following the issue; and
- the impact on Asciano's overall cost of capital.

Having assessed all of the relevant factors, the Board believes that it is in the interests of Asciano and its security holders for the issue size to be increased."

Asciano may raise up to an additional \$194 million through the non-underwritten conditional placement to Asciano CEO Mark Rowsthorn. By fully participating in the offer, Mark Rowsthorn may maintain, but may not increase, his current 10.92% holding in Asciano. The issues of stapled securities under this placement, and under the Conditional Placement referred to above, are subject to separate securityholder approvals at an EGM scheduled for Wednesday, 22 July 2009. Mark Rowsthorn's current intention is to fully participate in the offer subject to securing the required level of funding and required securityholder approval being obtained.

New stapled securities issued under the Institutional Entitlement Offer and Unconditional Placement will rank equally with existing Asciano stapled securities and are expected to be issued on Wednesday, 1 July 2009. Trading on the Australian Securities Exchange ("ASX") will commence on the same day.

Existing Asciano stapled securities will recommence trading on the ASX today.

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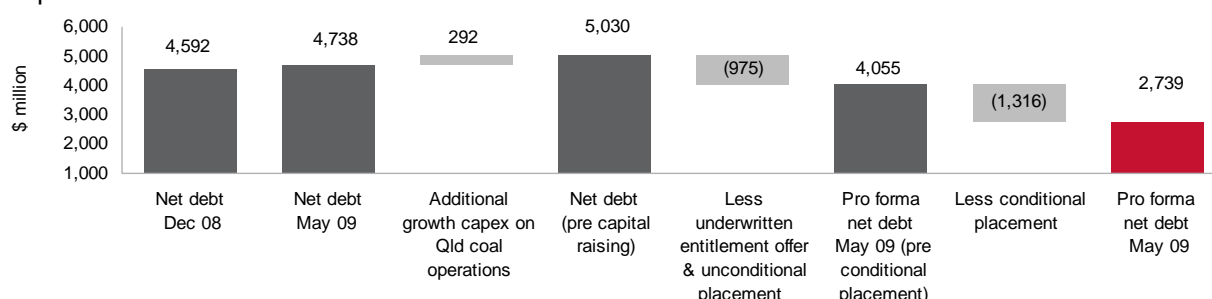
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Proposed Use of Proceeds¹

Net proceeds from the capital raising will be primarily used to reduce net debt. As at 31 May 2009, Asciano had \$4,738 million of net debt. After adjusting for \$2,291 million net proceeds of the equity raising², net debt will be reduced to \$2,447 million.

The application of the proceeds to the reduction of net debt will result in a substantial improvement in Asciano's capital structure. Asciano's gearing (as measured by the ratio of Net Debt to EBITDA) will improve from the current level of over 7.0x to a level of below 4.0x post completion of the underwritten equity raising, and is expected to further improve after the 2009/10 financial year.

Pro forma net debt at May 2009 (reflecting an additional \$292 million of growth capex for Asciano's Queensland coal operations) will be \$2,739 million, as summarised in the chart below. This represents a multiple of 3.7x Pro Forma FY2010 EBITDA.³



Pro forma capitalisation of Asciano after the offer, assuming that securityholder approval for the \$1,350 million conditional placement is obtained, is set out in the table below.

Pro forma capitalisation	
Security offer price	\$1.10
Number of securities (post underwritten raising amount) (m)	2,835
Pro forma equity valuation at the offer price (\$m)	3,118
Pro forma net debt (\$m)	2,739
Pro forma enterprise value (EV) (\$m)	5,857

If the \$2,291 million in net proceeds raised were applied to reduce May 2010 debt maturities, Asciano's level of debt maturing before 2012 would be reduced to \$509 million. However, while Asciano intends to apply the majority of the net proceeds to debt reduction, it is anticipated that a small proportion of the proceeds may be applied to the cost of restructuring Asciano's current interest-rate swaps.

Asciano is in ongoing dialogue with its banking syndicate, and Asciano's banks have been supportive and constructive throughout these discussions. Following completion of the equity issue, Asciano intends to negotiate a restructure of the existing facilities concurrent with the repayment of a proportion of the outstanding debt.

Notes:

1. Financial information in this announcement assumes that securityholder approval for the \$1,350 million conditional placement is obtained and that all net underwritten offer proceeds are received by Asciano. It does not include proceeds from the conditional placement to Mark Rowsthorn or from any Security Purchase Plan.
2. Includes equity offer fees and costs of approximately \$59 million
3. Based on the midpoint of the Pro Forma FY2010 EBITDA range of \$735–760 million. Further details of Pro Forma FY2010 EBITDA are included on page 20 of Asciano's Investor Presentation of 15 June 2009 entitled "Capital Management Initiatives"
4. As at 31 May 2009, Asciano had \$4,914 million of debt and \$176 million of cash on its balance sheet
5. Includes equity offer fees and costs of approximately \$25 million
6. Includes equity offer fees and costs of approximately \$34 million



Commencement of the Retail Entitlement Offer

The Retail Entitlement Offer will open on Friday 23 June 2009 and is expected to close at 5.00pm (Sydney Time) on Monday 13 July 2009. Eligible retail securityholders will have the opportunity to participate at the same price and entitlement ratio as institutional securityholders did under the Institutional Entitlement Offer.

Eligible retail securityholders may apply for new stapled securities in excess of their entitlement. Applications for excess securities will be satisfied to the extent there is a shortfall in the retail entitlement offer. Allocations are subject to the absolute discretion of Asciano.

In addition, to the extent that there is significant unsatisfied demand in the retail entitlement offer, Asciano will consider conducting a Security Purchase Plan offer to eligible securityholders (subject to obtaining the necessary regulatory approvals).

Eligible retail securityholders wishing to participate in the Retail Entitlement Offer for new stapled securities will need to have regard to the retail offer booklet and personalised entitlement and acceptance form which is expected to be mailed to each eligible retail securityholder on Tuesday 23 June 2009.

Timetable

Event ¹	Date
Retail entitlement offer opens	Tuesday 23 June 2009
Last day for Eligible Retail Securityholders to lodge an application to be allotted new stapled securities at the same time as Eligible Institutional Securityholders under the Institutional Entitlement Offer ("Initial Retail Closing Date")	Friday 26 June 2009
Settlement of applications under the Unconditional Placement, Institutional Entitlement Offer and under the Retail Entitlement Offer for which valid applications have been received by Initial Retail Closing Date	Tuesday 30 June 2009
Allotment of new stapled securities issued under the Unconditional Placement, Institutional Entitlement Offer and under the Retail Entitlement Offer for which valid applications have been received by Initial Retail Closing Date	Wednesday 1 July 2009
Retail entitlement offer closes	Monday 13 July 2009
Final allotment of new stapled securities issued under the retail entitlement offer	Tuesday 21 July 2009
Date of EGM to vote on conditional placements and trading date of new stapled securities issued under the retail entitlement offer	Wednesday 22 July 2009
Settlement of conditional placements (if approved by securityholders)	Friday 24 July 2009
Allotment and trading date of new stapled securities issued under the conditional placements (if approved by securityholders)	Monday 27 July 2009

Notes:

1. The timetable is subject to change in Asciano's absolute discretion. Asciano reserves the right to withdraw or vary the timetable for the Offer without notice in particular, Asciano reserves the right to extend the closing date for the Retail Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Retail Entitlement Offer or the conditional placements or either of them without prior notice. The commencement of quotation of new stapled securities is subject to confirmation from ASX



Securityholder and media enquiries

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Retail securityholders will be sent details of the Asciano equity raising shortly. Retail securityholders with questions about the equity raising should contact the Asciano Offer Information Line on 1300 729 310 (local call cost within Australia) or on +61 3 9415 4608 (from outside Australia) or go to the Asciano website at www.asciano.com.au.

This document is issued by Asciano Limited.

IMPORTANT INFORMATION

Subject to separate securityholder approvals at an EGM scheduled for Wednesday, 22 July 2009, the Conditional Placement will comprise a placement of 1,227,272,727 securities and the non-underwritten conditional placement to Mark Rowsthorn will comprise a placement of up to 176,071,033 securities.

This announcement does not constitute an offer of securities for sale in the United States, or to any person that is, or is acting for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") ("U.S. Person")), or in any other jurisdiction in which such an offer would be illegal. This announcement may not be distributed or released in the United States or to, or for the account or benefit of, any U.S. Person.

The securities in the proposed offer have not been, and will not be, registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons unless the securities are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available.

The pro forma financial information included in this announcement does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Investors should also be aware that certain financial data included in this announcement are "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934, as amended, including EBITDA (earnings before interest, taxes, amortisation and one-offs). The disclosure of such non-GAAP financial measures in the manner included in this announcement would not be permissible in a registration statement under the U.S. Securities Act. Asciano believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and conditions of Asciano. These non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Readers are cautioned, therefore, not to place undue reliance on any non-GAAP financial measures and ratios included in this announcement.

This announcement contains certain "forward looking statements" within the meaning of the securities laws of applicable jurisdictions. Forward looking statements can generally be identified by the use of



forward looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "will", "could", "may", "target", "plan" and other similar expressions. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward looking statements.

The forward looking statements contained in this announcement involve unknown risks and uncertainties and other factors, many of which are beyond the control of Asciano and its officers, employees, agents or associates, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward looking statements may also be based on estimates and assumptions with respect to future business decisions, which are subject to change. Actual results, performance, or achievements may vary materially from any projections because events and actual circumstances frequently do not occur as forecast and these differences may be material.

Forward looking statements are not guarantees of future performance. These statements may assume the success of Asciano's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Asciano's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise.

Readers are cautioned not to place undue reliance on forward looking statements and Asciano assumes no obligation to update or revise such information to reflect any change in expectations or assumptions. The inclusion of the forward looking statements in this announcement should not be regarded as a representation, warranty or guarantee with respect to its accuracy or the accuracy of the underlying assumptions or that Asciano will achieve, or is likely to achieve, any particular results.