



ASX ANNOUNCEMENT

Tuesday 23 February 2010

The Manager
Company Announcements Office
Australian Securities Exchange
Level 45, South Tower Rialto
525 Collins Street
MELBOURNE VIC 3000

ELECTRONIC LODGEMENT

Dear Sir or Madam

ASX RELEASE

I attach for release to the market an announcement regarding two investment-grade credit ratings.

Yours faithfully

A handwritten signature in black ink that reads "F. Mead". The signature is written in a cursive, flowing style.

Fiona Mead
Company Secretary

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ASX/MEDIA RELEASE

Tuesday, 23 February 2010

Asciano secures two investment-grade credit ratings

Asciano today announces that has been assigned the following credit ratings by leading ratings agencies, Moody's Investor Services and Standard & Poor's:

Moody's:	Baa3	Positive outlook
Standard & Poor's:	BBB-	Positive outlook

During 2009, the management and Board of Asciano undertook a detailed analysis of the group's capital structure. As a result, the Board has adopted a target Net Debt / EBITDA ratio of 3.25 - 3.5 times. The Board believes this is a prudent level of gearing which appropriately balances Asciano's ongoing capital expenditure requirements and growth opportunities with its commitment to a stable and sustainable capital structure.

Moody's noted its rating reflected Asciano's "strong network of infrastructure and transport businesses, which are embedded in the Australian logistics framework, their unique strategic positions, and their significant scale. The company's ratings also benefit from significant contracted coal freight revenues, and which are expected to form a growing contribution to earnings."

Moody's added that the rating "further reflects the presence of secured bank debt at the holding company level, and which subordinates unsecured creditors. Consequently, the fundamental credit profile – which would otherwise be consistent with a Baa2 rating - has been lowered one notch to reflect this fact. Moody's understands that Asciano is working with its banks on removing the security from its bank debt, ahead of a planned capital markets issuance later in the year. The positive rating outlook considers this initiative, with the ratings likely to be raised to Baa2/Stable once the security is released, and subordination is removed."

In announcing its inaugural rating of Asciano, Standard & Poor's commented that the rating "reflects our opinion of the group's strong market positions across a range of port stevedoring and rail transport services in Australia. Also underpinning the rating is the company's earnings stability, which is supported by long-term, take-or-pay contracts in key bulk rail activities, and moderate to high barriers to entry."

Announcements from both Moody's and Standard & Poor's accompany this release.

"These ratings reflect our leading position in structurally attractive markets and Asciano's demonstrated resilience to the economic cycle. The capital raising and debt restructuring has transformed our financial flexibility and we have a range of attractive, low risk growth options available to us" said Asciano Managing Director and Chief Executive Officer, Mr Mark Rowsthorn.

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“Two investment grade ratings, each with a pathway to an upgrade, enable us to proactively diversify our funding and lengthen our maturity profile well in advance of our next debt maturity in May 2012. These credit ratings, from both Moody’s and Standard & Poor’s, provide validation of the strength of our business, and open up a range of new options as we implement our medium-term funding strategy” he added.

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Further information about Asciano can be found on our internet site: www.asciano.com

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Moody's assigns first-time Baa3 ratings to Asciano; outlook positive

Sydney, <Rating Date Pending> -- Moody's Investors Service has today assigned Baa3 issuer and senior unsecured ratings to Asciano Limited ("Asciano"). The outlook on the ratings is positive.

This is the first time that Moody's has rated Asciano.

"Asciano's Baa3 ratings reflect its strong network of infrastructure and transport businesses, which are embedded in the Australian logistics framework, their unique strategic positions, and their significant scale," says Ian Lewis, a Moody's VP/Senior Analyst.

"The company's ratings also benefit from significant contracted coal freight revenues, and which are expected to form a growing contribution to earnings," adds Lewis.

The ratings are further supported by Asciano's investment grade financial profile. Over the next 18-24 months, Moody's expects Debt/EBITDA of 4.5-4.9x, EBIT/Interest of around 1.5x, and an EBIT Margin of around 15 %.

Such metrics are appropriate for a solid Baa-type entity with an operating profile as that of Asciano's.

"Balanced against these strengths is the fact that the company is subject to Australia's trade cycle - - through import and export flows -- and this introduces some earnings volatility through the cycle," says Lewis, who is also Lead Analyst for the company.

"The Baa3 ratings further reflects the presence of secured bank debt at the holding company level, and which subordinates unsecured creditors. Consequently, the fundamental credit profile – which would otherwise be consistent with a Baa2 rating - has been lowered one notch to reflect this fact," says Lewis.

Moody's understands that Asciano is working with its banks on removing the security from its bank debt, ahead of a planned capital markets issuance later in the year. The positive rating outlook considers this initiative, with the ratings likely to be raised to Baa2/Stable once the security is released, and subordination is removed.

Asciano operates in a tight domestic duopoly with DP World and in the near to medium term will face the entry of a significant third operator at its major East Coast ports in Australia.

"This development is likely impact the company – to a certain degree – within the current ratings horizon – and is captured within the ratings -- but represents a greater potential risk to the ratings

in the longer term, should a single third operator eventually enter all three ports on the East Coast,” says Lewis.

“For now, this risk is manageable for the ratings, but Moody’s will closely observe developments at the major Australian ports. The advent of a third operator at all three ports, within the current ratings horizon, while unlikely, represents an element of ratings event risk”, says Lewis.

Asciano’s financial policies include a commitment towards maintaining a strong financial profile – supportive of the rating – and the maintenance of target Net Debt / EBITDA of 3.25x to 3.50x on an unadjusted basis.

The ratings could experience downward pressure if the company experiences erosion in its revenues and earnings, or its competitive position, or any other material difficulty within its operating environment, such that Debt/EBITDA is likely to rise and remain above 5.0x, and/or EBIT/Interest trends below 1.5x on a sustained basis.

The entry of a third port operator – at all three major East Coast ports – ahead of the timeframe currently announced and Moody’s expectations could also result in meaningful downward ratings pressure.

The ratings could also be subject to negative pressure, should Asciano fail to successfully execute its plan to term out its 2012 bank debt maturity in the bond markets over the near term.

Asciano’s ratings were assigned by evaluating factors we believe are relevant to the credit profile of the issuer, such as i) the business risk and competitive position of the company versus others within its industry, ii) the capital structure and financial risk of the company, iii) the projected

performance of the company over the near to intermediate term, and iv) management's track record and tolerance for risk.

These attributes were compared against other issuers both within and outside of Asciano's core industry and Asciano's ratings are believed to be comparable to those of other issuers of similar credit risk.

Asciano is one of Australia's largest listed infrastructure owners with a transport infrastructure portfolio including the trans-national rail businesses of Pacific National, major container port operations, and the combined port and stevedoring businesses of Patrick Corporation Ltd and those previously owned by Toll Holdings. Asciano is based in Melbourne and for the year ending 30 June 09 generated total revenues of \$2.8 billion and had total assets of \$8 billion.

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STANDARD & POOR'S

Press Release

Asciano Ltd. Assigned 'BBB-' Ratings On Strong Market Positions; Outlook Positive

Melbourne, Feb. 23, 2010—Standard & Poor's Ratings Services today said that it had assigned its 'BBB-' rating to Asciano Ltd. and Asciano's guaranteed senior secured bank debt facilities. The outlook on the long-term rating is positive.

"The rating reflects our opinion of the group's strong market positions across a range of port stevedoring and rail transport services in Australia," Standard & Poor's credit analyst Paul Draffin said. "Also underpinning the rating is the company's earnings stability, which is supported by long-term take-or-pay contracts in key bulk rail activities, and moderate-to-high barriers to entry. These strengths are tempered by the group's significant financial risk profile, expected increasing competition in port stevedoring, significant ongoing capital requirements, and exposure to operating and volume risks."

An increase in the long-term rating to 'BBB' is possible in the next 12-to-18 months if the group:

- Further expands its coal haulage business on favorable terms;
- Strengthens fully adjusted funds from operations to debt to the mid 15%-20% range (adjusted to remove the short-term impact of available tax losses);
- Maintains EBITDA interest cover comfortably above 3x;
- Lengthens its debt-maturity profile;
- Improves free cash generation; and
- Continues to sustain or enhance its market position across its businesses.

Standard & Poor's notes that these financial ratio expectations for the 'BBB' long-term rating may change as the competitive environment in which Asciano operates evolves.

Mr. Draffin added: "A revision of the outlook to stable could occur if greater than expected competition in any of Asciano's key businesses materially erodes revenue, margins, or market shares, or if the group fails to de-lever its balance sheet to its target range, which could be precipitated by debt-funded acquisitions.

About Standard & Poor's

Standard & Poor's, a subsidiary of The McGraw-Hill Companies (NYSE:MHP), is the world's foremost provider of independent credit ratings, indices, risk evaluation, investment research and data. With offices in 23 countries and markets, Standard & Poor's is an essential part of the world's financial infrastructure and has played a leading role for 150 years in providing investors with the independent benchmarks they need to feel more confident about their investment and financial decisions. For more information, visit <http://www.standardandpoors.com>.

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