

ASX/MEDIA RELEASE

Date: 10 November 2015

ASCIANO RECEIVES NON-BINDING INDICATIVE PROPOSAL FROM QUBE CONSORTIUM

Asciano Limited (ASX: AIO, OTCUS: AIOYY) (**Asciano**) announces that it has received the attached non-binding indicative proposal from Qube Holdings Limited (**Qube**), Global Infrastructure Partners (**GIP**) and Canada Pension Plan Investment Board (**CPPIB**) (the **Qube Consortium**) to acquire all of the issued share capital of Asciano not already owned by the Qube Consortium at an implied value of A\$9.25 per Asciano share.

The Asciano Board is considering this proposal.

In the absence of any superior proposal capable of acceptance, the Board continues to unanimously recommend the Brookfield proposal announced on 9 November 2015.

The Asciano Board remains committed to maximising value for Asciano shareholders and will continue to keep the market informed of any material developments.

Further Information

Asciano shareholders can obtain further information by contacting the Asciano Shareholder Information Line on 1300 729 310 for shareholders located in Australia, and +61 3 9415 4608 for shareholders located outside Australia.

For further information, please contact:

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- Ends -



9 November 2015

Malcolm Broomhead
Chairman
Asciano Limited
Level 6, 15 Blue Street
North Sydney NSW 2060

STRICTLY PRIVATE AND CONFIDENTIAL

Dear Malcolm,

Qube Holdings Limited ("Qube"), Global Infrastructure Management, LLC (on behalf of itself and its managed funds and clients) ("GIP") and Canada Pension Plan Investment Board ("CPPIB") (collectively the "Consortium") are pleased to submit a confidential, non-binding indicative proposal ("Proposal") for the acquisition of all of the issued share capital of Asciano Limited ("Asciano" or the "Company") not already owned by the Consortium, for an aggregate implied value of A\$9.25 per Asciano share ("Proposed Transaction").

The Proposal represents superior value to the conditional scheme of arrangement and conditional proposed takeover offer announced by Brookfield Infrastructure Partners L.P. ("Brookfield"), particularly given the "red light" issues announced by the Australian Competition and Consumer Commission ("ACCC") on 15 October 2015. The Proposal involves Asciano Shareholders receiving a mixture of cash and Qube shares, thereby allowing shareholders to retain an exposure to Asciano's container terminal businesses, including the upside potentially available from Asciano's container terminal businesses being combined with Qube and operated by Australia's most successful port logistics management team.

The Consortium currently holds an interest in 194,979,591 Asciano shares, representing 19.99% of Asciano's total shares outstanding.

The Proposal

Under the Proposal, Asciano shareholders will receive A\$9.25 per share (comprising approximately 75% cash, with the balance in Qube shares) for every Asciano share held (the "Consideration"), less the value of any cash dividend declared by Asciano prior to Proposed Transaction being implemented. The Consortium notes the current plan, in respect of the Brookfield scheme and potential takeover offer, to distribute Asciano's franked dividends to shareholders and confirms it would be comfortable with a similar arrangement that could be developed in consultation with Asciano. We believe that the Proposal represents a compelling proposition for Asciano's shareholders against a number of relevant benchmarks, namely, the implied value of the Proposal of A\$9.25 per share:

- Represents a significant premium to recent trading levels including:
 - 39.1% premium to Asciano's closing price prior to confirming Brookfield's initial approach on 1 July 2015, of A\$6.65
 - 40.0% premium to Asciano's 1 month VWAP prior to confirming Brookfield's initial approach on 1 July 2015, of A\$6.61
 - 40.5% premium to Asciano's 3 month VWAP prior to confirming Brookfield's initial approach on 1 July 2015, of A\$6.58
 - 22.4% premium to Asciano's closing price prior to the Consortium completing its off-market acquisition on 29 October 2015, of A\$7.56

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- Is at the upper end of the Independent Expert's valuation range of A\$8.42 to A\$9.40 per Asciano share as disclosed in the Brookfield scheme booklet.
 - Is 15c per share above the implied average Brookfield offer consideration of A\$9.10 based on the VWAP of Brookfield units since entry into the scheme implementation deed on 18 August 2015.
 - Is 45c per share above the price (A\$8.80 per share) at which shareholders sold approximately 35% of the Company to both the Consortium and Brookfield in acquiring their respective stakes.

The Proposal is based on the Consortium's review of the Company's current fully diluted share capital, financial position and operating performance as disclosed in publicly available information.

The Proposal is subject to the fulfilment of a number of customary conditions, which are set out further below.

Transaction structure

It is the intention of the Consortium for GIP and CPPIB to acquire the rail business of Asciano and for Qube to acquire Asciano's Patrick container terminal business and interest in Australian Amalgamated Terminals ("AAT"). The Consortium is willing to consider a range of options to implement the Proposed Transaction including (but not limited to) a scheme of arrangement, takeover offer or asset sale and selective capital reduction.

Benefits of the Proposed Transaction

The aggregate consideration is valued at a substantial premium to the pre-Brookfield approach pricing benchmarks as noted above.

The cash component of the consideration provides attractive value certainty and liquidity to Asciano shareholders. Through the scrip consideration, Asciano shareholders will have the opportunity to participate in the growth opportunities of Qube, a leading Australian provider of import/export logistics services, well placed to benefit from the acquisition of a highly complementary portfolio, with synergies expected from the Proposed Transaction. In addition, Qube has a highly respected management team with significant operational expertise and knowledge of the Asciano assets.

Most importantly, the Consortium's Proposal provides Asciano shareholders with a greater likelihood of actually realising a premium for their investment in Asciano. The ACCC has raised "red light" issues with regards to Brookfield's ownership of Asciano's Pacific National business, creating a significant risk that the Brookfield consortium's proposed scheme or potential takeover will not be able to proceed in their current form. The Consortium believes that it has in place an effective strategy to address any regulatory risks to its Proposed Transaction. As discussed below, the Proposed Transaction is not anticipated to be subject to an ACCC condition.

The Consortium's Proposal also benefits Asciano shareholders in that they would not be exposed to the significant risks associated with Brookfield's business and operations, and with Brookfield interests and CDIs, many of which are described in the Company's scheme booklet in relation to the Brookfield scheme. In particular, the Brookfield proposal involves Asciano shareholders receiving relatively illiquid securities with a materially different risk profile, governance and management structure to their current investment in Asciano, and without the opportunity to directly share in the synergies likely to flow from the Consortium's Proposal, as well as access to franking credits in the future.

Conditions

The Proposal is subject to conditions, including:

- Satisfactory completion of confirmatory due diligence. The Consortium will work constructively with Asciano to expedite its confirmatory due diligence with the aim of completing this by mid-December. The Consortium has

undertaken significant work prior to submitting this Proposal and is confident of its ability to progress its confirmatory due diligence

- Execution of an implementation deed on terms acceptable to the Board of Directors of Asciano and Qube and the Investment Committees of GIP and CPPIB. The implementation deed would include the following provisions, which are no less favourable to Asciano than the amended implementation deed agreed with the Brookfield consortium:
 - Unanimous recommendation of the Company's Board of Directors;
 - Standard no restraints conditions;
 - FIRB¹ and OIO approval;
 - Material third party consents (if any) to relevant change of control restrictions in Asciano's contractual arrangements (to be determined during confirmatory due diligence);
 - No prescribed occurrences (including no dividend or capital returns or material asset sales or acquisitions of joint ventures made or agreed to by Asciano until completion (other than those contemplated as part of the Proposed Transaction)) or material adverse changes having occurred for Asciano or Qube until completion; and
 - Customary exclusivity provisions and a break fee of 1% of equity value.

Unlike the scheme of arrangement or takeover agreed with the Brookfield consortium, the Proposed Transaction is not anticipated to be subject to an ACCC condition.

Any final proposal will be conditional on approval from the Board of Directors of Qube and the GIP and CPPIB Investment Committees.

About the Consortium

The Consortium comprises Qube, GIP and CPPIB, each of whom have a strong track record of efficiently and promptly executing material transactions, including public market transactions. The Consortium members are logical and credible acquirors of the Company, with a focus on best practice in operations and stakeholder engagement.

Qube (ASX Code: QUB) is Australia's largest integrated provider of import and export logistics services with national operations that provide a broad range of services. Listed on the ASX with a market capitalisation of ~A\$2.4 billion (as at 6 November 2015), Qube operates divisions covering automotive, bulk and general stevedoring, landside logistics and strategic development assets. For more information about Qube, visit www.qube.com.au.

GIP is a leading global, independent infrastructure investor that combines deep industry expertise with industrial best practice operational management. GIP targets investments in single assets and portfolios of assets and companies in power and utilities, natural resources infrastructure, air transport infrastructure, seaports, freight railroad, water distribution and treatment and waste management. GIP has offices in New York and London, with an affiliate in Sydney and portfolio company operations headquarters in Stamford, Connecticut. GIP manages approximately US\$15.4 billion for its investors. For more information about GIP, visit www.global-infra.com.

CPPIB is a professional investment management organisation that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 18 million contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City and São Paulo, CPPIB is governed and managed independently of the Canada Pension Plan and at

¹ Note that FIRB has already approved the Consortium acquiring up to 20% of the shares in the Company.

arm's length from governments. At June 30, 2015, the CPP Fund totaled C\$268.6 billion, of which C\$6.9 billion is invested in Australia. For more information about CPPIB, please visit www.cppib.com.

ACCC review

The Consortium has structured its Proposal to minimize ACCC review and conditionality, including by excluding certain Asciano assets from the acquisition by Qube under the Proposed Transaction. To that end, it is the intention of the Consortium that Qube will only have acquired the Company's container terminal business and the Company's interest in AAT at completion². While it is expected that the ACCC will review the Proposed Transaction, the Consortium considers that the Proposed Transaction is uncontroversial from a competition law perspective and it is not anticipated that there would be any material adverse ACCC concerns. GIP and CPPIB have no relevant material interests in related industries or businesses that might generate any ACCC concern.

In order for this approach to work smoothly, we have already commenced engagement with the ACCC to assist them in their understanding of the Proposed Transaction.

Post-transaction arrangements

Following implementation of the Proposed Transaction, the Company (under GIP/CPPIB ownership) would continue to own and operate the Bulk, Automotive and Port Services ("BAPS") business pending a sale process. Qube will seek to acquire certain of the remaining assets of the Company, subject to ACCC review. Qube does not propose to seek to acquire the Company's interest in the Australian Container Freight Service JV or the general/automotive stevedoring business. The Pacific National business is to be retained by the Company (under GIP/CPPIB ownership).

It is the intention of the Consortium that ACCC approval of the post-transaction acquisition of any further assets by Qube would not be a condition of the Proposed Transaction as these assets would be held and controlled by the Company (under GIP/CPPIB ownership) until such time as the ACCC position on them was known.

Financing structure

GIP and CPPIB intend to fund the acquisition of Asciano's rail business primarily with equity and maintain Asciano's existing debt facilities where possible. GIP and CPPIB intend to discuss the ability to maintain an investment grade rating for the rail business with ratings agencies during the confirmatory due diligence period. GIP and CPPIB do not consider that the proposed structure breaches any of the known bond covenants, but require due diligence to confirm this.

GIP and CPPIB are highly confident of arranging replacement debt in the event the change of control provisions under the debt facilities are triggered, and have attached a Highly Confident Letter from Credit Suisse in relation to replacing existing debt facilities (both bonds and bank debt), as well as incremental debt for the Proposed Transaction.

It is envisaged that full commitments for these facilities will be in place prior to the execution of any implementation deed and that any such agreement would not contain financing conditions.

Qube intends to fund the acquisition of the Patrick container terminal business, the Company's interest in AAT and any other BAPS assets that Qube is subsequently able to acquire following ACCC approval (post-transaction),

² The acquisition of the interest in AAT will be subject to an undertaking regarding access to AAT's terminal operations consistent with the standard undertakings that the ACCC has accepted in relation to automotive and RoRo terminal operations in Western Australia and Victoria.

through a combination of Qube scrip to Asciano shareholders and Qube debt facilities. UBS has provided Qube with a Highly Confidential Letter in respect of the required debt facilities.

It is envisaged that full commitments for these facilities will be in place prior to the execution of any implementation deed and that any such agreement would not contain financing conditions.

Qube has also received strong inbound inquiry from major domestic and international investors to support Qube's funding requirements for this transaction, and therefore Qube may elect to replace some of the required additional debt facilities with cash to be raised through an equity raising to existing and new Qube shareholders.

Due diligence

The Consortium is not seeking that the Asciano Board recommends the Consortium's Proposal at this time, or take any steps to terminate any implementation deed that Asciano has with Brookfield as a consequence of receipt of this Proposal. The Consortium is only seeking that the Asciano Board properly exercises its fiduciary duties (as it is entitled to do) to provide access to confirmatory due diligence to the Consortium such that the Proposal can be progressed to a binding offer in the best interests of Asciano shareholders. We have separately provided a confidentiality agreement to your legal advisers in order to commence the process.

In order to progress to a binding offer, the Consortium will require customary access to management and Company information on a strictly confidential basis to conduct a short and focused confirmatory due diligence exercise on Asciano. The Consortium will dedicate the resources necessary to ensure confirmatory due diligence is completed in a targeted and efficient manner. To this end, we have financial, legal, technical, accounting and tax advisers that can be called to action immediately should due diligence be granted. The Consortium can commit to completion of its confirmatory due diligence activities by mid-December, subject only to the Company immediately providing the information and access required. The Consortium is confident that it will be able to leverage the existing due diligence process which Asciano has undertaken with the Brookfield consortium.

Not legally binding

This Proposal is intended as an expression of our interest and is not intended to constitute, and does not constitute, a legally binding offer. This Proposal does not constitute a proposal to make a takeover bid for the purposes of section 631 of the Corporations Act. It represents an incomplete and non-binding proposal. Any legally binding obligations would be subject to, among other things, the execution of definitive transaction documentation.

Contact

All communications relating to this Proposal should be directed to the contacts below:

Qube	GIP	CPPIB
Maurice James	Rob Stewart	Bruce Hogg
maurice.james@qube.com.au	rob.stewart@global-infra.com	bhogg@cppib.com

Credit Suisse (Australia) Limited and UBS AG, Australia Branch are acting as financial advisors for the Proposed Transaction. Allens is acting as legal advisor for the Proposed Transaction with competition law advice being provided by Gilbert + Tobin.

The Consortium members have followed the assets for a considerable period of time, including through prior asset monetization and potential control transaction processes going back several years. We believe that the Proposal presents an extremely attractive and compelling proposition to Asciano shareholders. We look forward to working with Asciano in a constructive and expeditious manner to progress the Proposal as soon as possible.


We look forward to discussing this Proposal with you at your earliest convenience.

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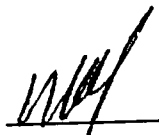
Yours sincerely,



Maurice James
Managing Director
Qube Holdings Limited



Mark Levitt
Chief Operating Officer
Global Infrastructure Management,
LLC



Bruce Hogg
Managing Director, Head of
Infrastructure – Americas
Canada Pension Plan Investment
Board