

Aurizon Network MTN – MTN 2013 Series 1 Tranche 1 Pricing Supplement

Execution version

Series No.: MTN 2013 Series 1

Tranche No.: 1



AURIZON NETWORK PTY LTD
ABN 78 132 181 116
("Issuer")

Debt Issuance Programme
("Programme")

guaranteed by AURIZON NETWORK PTY LTD
ABN 78 132 181 116

and certain of its subsidiaries

SUPPLEMENT
in connection with the issue of fully paid
A\$525 million 5.75% Fixed Rate Notes due 28 October 2020
("MTNs")

The date of this Supplement is 21 October 2013.

This Supplement is issued to give details of the Tranche of fully paid MTNs referred to above. It is supplementary to, and should be read in conjunction with the Information Memorandum dated 4 October 2013 ("IM") and the Debt Instrument Deed Poll dated 4 October 2013 ("Deed Poll") each issued in relation to the Programme.

This Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the MTNs or the distribution of this Supplement in any jurisdiction where such action is required.

Terms used but not otherwise defined in this Supplement have the meaning given in the Deed Poll. A reference to a "condition" in this Supplement is a reference to the corresponding Condition as set out in the Deed Poll.

TERMS

The terms of the Tranche of MTNs are as follows:

Issuer:	Aurizon Network Pty Ltd.
Guarantors:	The Issuer and such subsidiaries of the Issuer as have acceded to and are Guarantors under the Guarantee (as defined below) from time to time (there being no such subsidiaries as at the date of this Supplement).
Guarantee:	The guarantee and indemnity granted by the Issuer and certain subsidiaries pursuant to the deed poll titled "Deed Poll Guarantee and Indemnity" dated 4 October 2013. The Guarantee is supplementary to, and should be read in conjunction with the IM and the Deed Poll.
Dealer(s):	Australia and New Zealand Banking Group Limited UBS AG, Australia Branch Merrill Lynch (Australia) Futures Limited.
Place of initial offering:	Inside Australia.
Issuing Agent and Paying Agent:	BTA Institutional Services Australia Limited.
Calculation Agent:	BTA Institutional Services Australia Limited.
Additional Paying Agents:	Not Applicable.
Registrar:	BTA Institutional Services Australia Limited.
Status of the MTNs:	Unsubordinated.
Currency:	Australian Dollars.
Aggregate principal amount of Tranche:	A\$525,000,000.
If to form a single Series with existing Series, specify date on which all MTNs of the Series become fungible:	Not Applicable.
Issue Date:	28 October 2013.
Maturity Date:	28 October 2020.
Issue Price:	98.532%.
Type of Debt Instrument:	Unsubordinated Fixed Rate MTN.
Form of Debt Instrument:	Registered.

Denomination(s):	A\$10,000.
Business Days:	Sydney.
Interest:	Fixed Rate MTNs: Condition 6 will apply. Interest Commencement Date: Issue Date. Interest Payment Dates: Semi-annual; payable on 28 April and 28 October of each year, beginning on 28 April 2014 through and including the Maturity Date (or any earlier date on which all of the MTNs are redeemed), subject to adjustment in accordance with the Following Business Day Convention. Interest Rate: 5.75% per cent. per annum. Fixed Coupon Amount: Not Applicable. Business Day Convention: Following Business Day. Day Count Fraction: RBA Bond Basis.
Minimum / Maximum Interest Rate:	Not Applicable.
Default Rate:	Not Applicable.
Calculation Agent Obligations:	Not Applicable.
Rounding:	Not Applicable.
Early redemption at the option of MTN Holders (MTN Holder put):	Applicable.
Early Redemption Date (Put):	The date that is 90 days after an Early Redemption Event (Put) (as defined in the Schedule).
Minimum notice period for the exercise of the put option:	60 days.
Maximum notice period for the exercise of the put option:	90 days.
Specify any relevant conditions to exercise of put option:	As set out in the Schedule.
Specify whether redemption at MTN Holders' option is permitted in respect of some only of the MTNs and, if so, any minimum aggregate principal amount:	Not Applicable.
Currency of payments:	AUD.

ISIN:	AU3CB0215119.
Common Code:	098519688.
Clearing System:	Austraclear /Euroclear/Clearstream.
Other selling restrictions:	As provided in the IM, the MTNs will not be issued unless the aggregate consideration payable by each offeree is at least A\$500,000 (disregarding moneys lent by the offeror or its associates) or the offer or invitation does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act 2001 of Australia.
Australian interest withholding tax:	The issue of the MTNs is intended to satisfy the public offer test in section 128F of the Income Tax Assessment Act 1936 of Australia.
Programme Documents:	IM, Deed Poll, Guarantee, Agency and Registry Services Agreement dated 4 October 2013 between the Issuer and BTA Institutional Services Australia Limited and this Supplement.
Listing:	Not Applicable.
Notices:	Not Applicable.
Additional Australian Taxation:	Not Applicable.
Additional terms and conditions:	See Schedule.

CONFIRMED

AURIZON NETWORK PTY LTD

By: 
Authorised Person

Date: 21 October 2013.

Schedule to Pricing Supplement

1 Guarantors

The Issuer must ensure that:

- (a) at all times the total consolidated assets of the Obligor Group equals or exceeds 90% of the value of total consolidated assets of the Network Recourse Group;
- (b) the Consolidated EBITDA of the Obligor Group for each financial year equals or exceeds 90% of the value of the Consolidated EBITDA of the Network Recourse Group for that financial year; and
- (c) each Guarantor is a wholly owned Subsidiary of the Issuer and is not an Excluded Subsidiary.

Further, the Issuer undertakes that it shall not effect a release of any Guarantor from the Guarantee unless following the release, the remaining Obligors will continue to satisfy the above requirements.

Where:

"Borrowings" means, at any time, the aggregate at that time of the outstanding principal, capital or nominal amount and any fixed or minimum premium payable on repayment, prepayment or redemption of any indebtedness for or in respect of Finance Debt.

"Consolidated EBIT" means, for any period, the consolidated operating profits of the Obligor Group for that period:

- (a) before deducting any Consolidated Net Finance Charges; and
- (b) before taking into account any items treated as exceptional or extraordinary items;

in each case, to the extent added, deducted or taken into account (as the case may be) for the purposes of determining the profits of the Obligor Group from ordinary activities before taxation.

"Consolidated EBITDA" means, for any period, Consolidated EBIT for that period before deducting any amount attributable to amortisation of goodwill or depreciation of tangible assets.

"Consolidated Net Finance Charges" means, for any period, the aggregate amount of interest and amounts in the nature of interest, commission, fees, discounts, prepayment penalties or premiums, and other finance payments in respect of Borrowings whether accrued, paid or payable and whether or not capitalised by any member of the Obligor Group in respect of that period:

- (a) excluding any such obligations owed to any other member of the Obligor Group;
- (b) including the interest element of leasing and hire purchase payments;
- (c) including any amounts paid, payable or accrued by any member of the Obligor Group to counterparties under any interest rate hedging instrument;
- (d) deducting any amounts paid, payable or accrued by counterparties to any member of the Obligor Group under any interest rate hedging instrument; and
- (e) deducting any interest paid, payable or accrued to the benefit of any member of the Obligor Group on any deposit or bank account.

“**Obligor Group**” means, as at the date of this Supplement, the Issuer, and thereafter the Issuer and any Guarantor who accedes to the Guarantee.

2 Early redemption at the option of MTN Holders (MTN Holder put)

“**Early Redemption Event (Put)**” means:

- (a) either:
 - (i) any person, or a group of people acting in concert, who at the date of this Pricing Supplement does not have Control of the Issuer obtain or obtains (as applicable) Control of the Issuer; or
 - (ii) any person, or a group of people acting in concert, who at the date of this Pricing Supplement have Control of the Issuer cease or ceases (as applicable) to Control the Issuer;
- (b) on the date of the first public announcement of the event described in paragraph (a) above, the MTNs carry from any Rating Agency:
 - (i) an investment grade credit rating (Baa3 or equivalent or better), and such rating from any Rating Agency is either downgraded to a non-investment grade credit (Ba1 or equivalent or worse) or withdrawn within 90 days of the first public announcement and the rating is not subsequently upgraded or reinstated to an investment grade rating within that period; or
 - (ii) a non-investment grade credit rating (Ba1 or equivalent or worse), and such rating from any Rating Agency is downgraded by one or more notches (eg. Ba1 to Ba2 being one notch) or withdrawn within 90 days of the first public announcement and the rating is not subsequently upgraded or reinstated to an investment grade rating within that period; or
 - (iii) no credit rating and no Rating Agency assigns an investment grade credit rating to the MTNs within 90 days of the first public announcement; and
- (c) in making any relevant decision referred to in paragraph (b) above, the relevant Rating Agency announces publicly or confirms in writing to any member of the Group that such decision resulted, in whole or in part, from the occurrence of the event described in paragraph (a) above.

Where:

“**Control**” has the meaning given to it in s50AA of the Corporations Act.

“**Rating Agency**” means Moody’s Investors Services Pty Limited (ACN 003 399 657) trading as Moody’s Investors Services Pty Limited, Standard & Poor’s (Australia) Pty. Ltd. (ACN 007 324 852), or any other rating agency of equivalent international standing engaged by the Issuer or a member of the Group (but excluding any rating agency providing a rating on an unsolicited basis).