Aurizon Network Debt Investor Update

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March 2017

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Agenda

Introduction
Aurizon Network Financials
Funding and Capital Management
Regulation
Coal Market Update

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Introduction

About Aurizon

Aurizon (ASX: AZJ) is Australia's largest rail freight operator and a top 50 ASX company. Aurizon has four major product lines for customers: Coal, Iron Ore, Freight and Network.

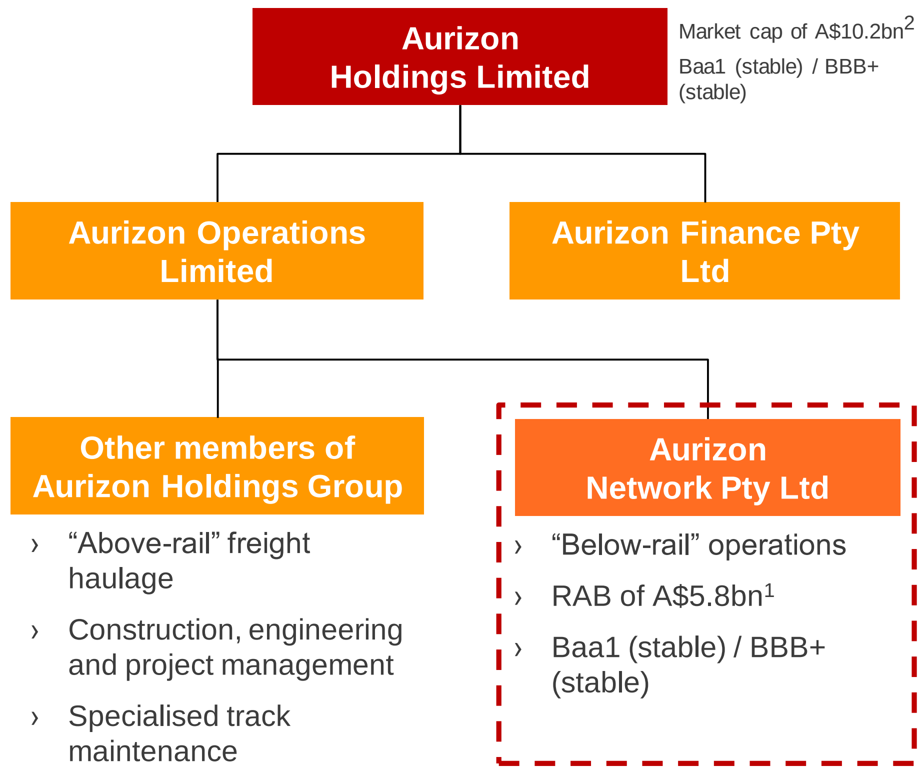
Above Rail

› Aurizon transports more than 250 million tonnes of Australian commodities, connecting miners, primary producers, and industry with international and domestic markets.

Below Rail (Network)

› Aurizon Network controls, manages, operates and maintains the fixed rail infrastructure "below rail" assets of the Central Queensland Coal Network (CQCN)
  › Regulated Asset Base (RAB) of A$5.8 billion[1]
  › Rated Baa1 (stable) / BBB+ (stable)
  › The CQCN is Australia's largest export coal rail network and is the vital rail link between Queensland's coal mines and the various ports used to export coal
› The CQCN is a natural monopoly infrastructure asset regulated by the Queensland Competition Authority (QCA)
› Aurizon Network's regulated revenue is protected through a combination of contractual and regulatory mechanisms which limit counterparty and volume risk

Aurizon Holdings Legal Structure



Issuer under the A$ MTN Debt Issuance Programme dated October 4, 2013 and the EMTN Issuance Programme dated September 2, 2014 and May 13, 2016

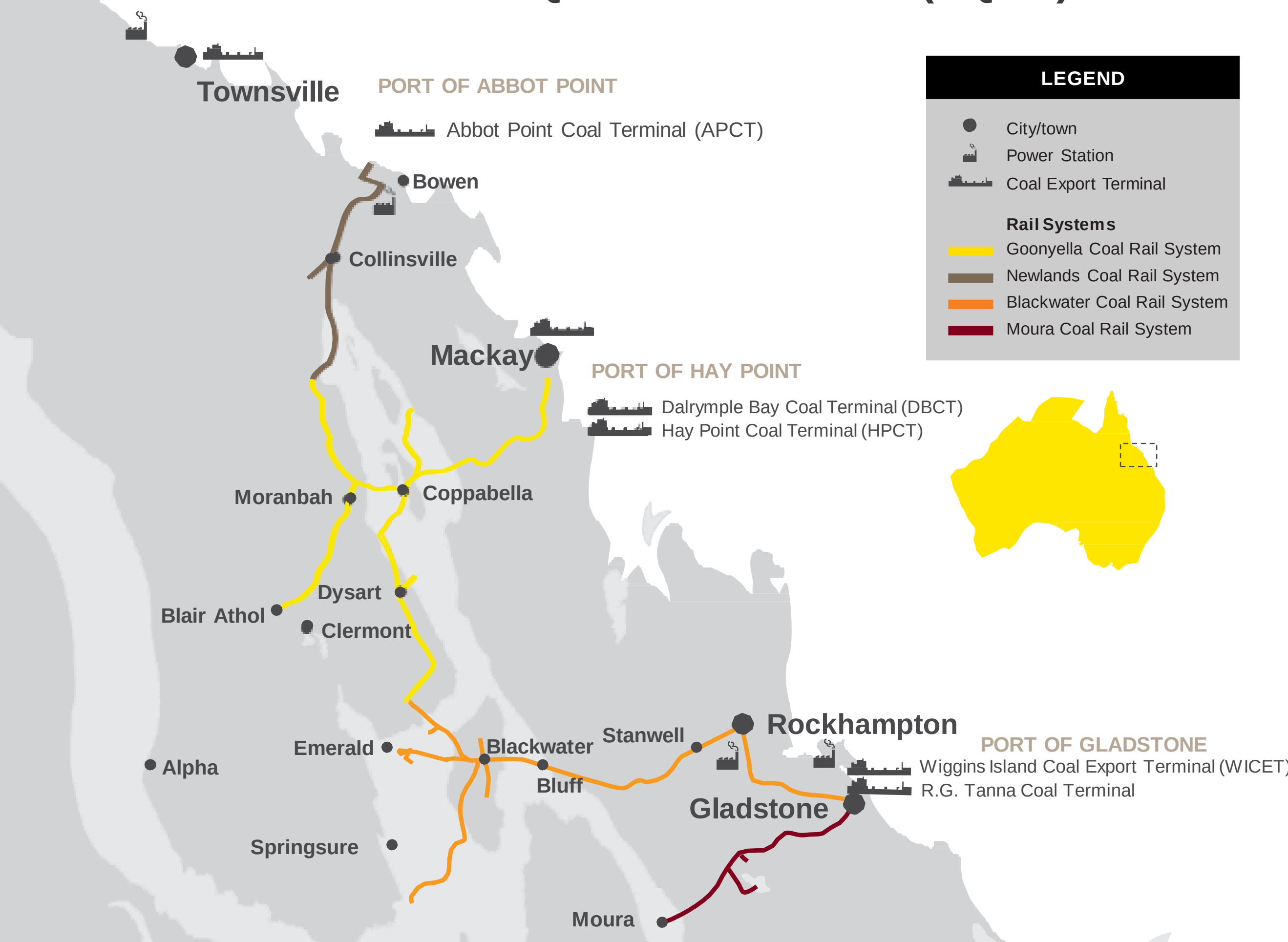
1. Estimate as at 30 June 2017 – includes deferred capital but excludes $0.4bn in assets operating under an Access Facilitation Deed (AFD). Estimate subject to QCA Approval of RAB roll-forward and approval of the FY2016 and FY2017 Capital Claims
2. As at 8 February 2017

Recent Developments

GROUP FINANCIAL RESULTS	› Revenue up 1% to $1.8bn - increase in Below Rail partly offset by volume driven decrease in Above Rail › Underlying EBIT up 21% to $488m, driven by transformation benefits in Above Rail and impact of finalisation of UT4 in Below Rail › Statutory NPAT of $54m reflects the impact of impairments and transformation costs › ROIC 9.6%
REGULATION	› UT4 Final Decision 11th October 2016 (2013-2017 – MAR $3.9bn) › UT5 Draft lodged 30th November 2016 (2018-2021 – MAR $4.9bn)
MANAGEMENT CHANGES	› Andrew Harding appointed as Group CEO, effective 1st December 2016 › Pam Bains appointed as Group CFO, effective 15th December 2016
CUSTOMERS	› All coal and iron ore customers estimated to be profitable due to stronger prices, improving industry health › Current coal price and time to market pressures presenting opportunities
FUNDING AND CAPITAL MANAGEMENT	› Moody's lifted Outlook to Baa1 (Stable) for Aurizon Group and Network on February 15th 2017 › Board supports current credit ratings (Moody's Baa1 (Stable), S&P BBB+ (stable)) › Debt maturity tenor stable at 5.3 years

Network Snapshot

Central Qld Coal Network (CQCN)



Key Network Facts

40 + operating coal mines serviced

Open access network with 3 above rail coal operators – Aurizon Operations, Pacific National and BMA Rail

70 services per day

+225mt coal moved each year

The CQCN comprises 4 major coal systems and 1 connecting system link serving Queensland's Bowen Basin coal region: Newlands, Goonyella, Blackwater and Moura with GAPE the connecting system link

5 export terminals at 3 ports

1 control centre

Track	2,670 km
Electrified track	2,000 km

It is estimated the value of the regulated Asset Base (RAB) will be $5.8bn[1] as at 30 June 2017

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1. Estimate as at 30 June 2017 - excludes $0.4bn in assets operating under an Access Facilitation Deed (AFD). Estimate subject to QCA Approval of RAB roll-forward and approval of the FY2016 and FY2017 Capital Claims.

Network - Summary of Key Credit Highlights

1. Highly regulated revenues within a stable and well established regulatory regime
2. Long term lease arrangements supported by the central QLD coal mining sector
3. Infrastructure network servicing well-established haulage customers and high quality mines predominantly operated by investment grade coal miners
4. Revenue protection mechanisms limit exposure to patronage and volume risk
5. Strong financial position and ratings stability
6. Experienced board and management team

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Aurizon Network Financials

Half Year Ended 31 December 2016

Below Rail Benefits From UT4 Finalisation

REVENUE	› Increased 15% to $671m due to true-up from under recovery of UT4 revenue from prior years
UNDERLYING EBIT	› Increased $50m (20%) to $295m due to higher revenue
OPERATIONAL PERFORMANCE	› Improving asset management leads to 20% reduction in system closure hours (planning and scheduling maintenance programs) › Performance to plan down 1.2ppts to 91.5% from previous record high (17% increase in services cancelled, mainly mine related)
RAB	› Estimated $5.8bn[1] value start of UT5
REGULATION	› UT4 finished October 2016, $89m true-up in FY2017 › UT5 draft submitted November 2016, industry comments extended to 17 March 2017 › Key issue remains appropriate return given level of risk

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1. Estimate as at 30 June 2017 – includes deferred capital but excludes $0.4bn in assets operating under Access Facilitation Deeds (AFD). Estimate subject to QCA Approval of RAB roll-forward and approval of the FY2016 and FY2017 Capital Claims

Below Rail Profit & Loss (Underlying)

$m	1H FY2017	1H FY2016	Variance fav / (adv)	2H FY2016
Tonnes (million)	112.9	114.0	(1%)	111.9
Revenue - Access	629	560	12%	576
- Services/Other	42	21	100%	22
Total Revenue	**671**	**581**	15%	**598**
Operating costs	(234)	(211)	(11%)	(204)
EBITDA	**437**	**370**	18%	**394**
EBITDA margin	65.1%	63.7%	1.4ppt	65.9%
Depreciation and amortisation	(142)	(125)	(14%)	(133)
EBIT	**295**	**245**	20%	**261**
Operating Ratio	56.0%	57.8%	1.8ppt	56.4%

Commentary

- Revenue Access increase primarily attributable to UT4 True-up ~$45m
- Revenue Other includes the recognition of Bandanna Group's bank guarantee held as security for their WIRP Deed that was terminated due to insolvency ~$15m
- Operating Costs increase driven by Energy Costs +$10m and UT4 Corporate Cost True-up $13m
- Depreciation increase from WIRP and Asset Renewals

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Below Rail Balance Sheet

As at ($m)	31 Dec 2016	30 June 2016
Total current assets	272	289
Property, plant & equipment	5,417	5,432
Other non-current assets	153	157
Total assets	**5,842**	**5,878**
Other current liabilities	(243)	(305)
Total borrowings	(2,790)	(3,003)
Other non-current liabilities	(855)	(778)
Total liabilities	**(3,888)**	**(4,086)**
Net assets	**1,954**	**1,792**
Gearing (net debt/net debt + equity)	**58.6%**	**62.6%**

Commentary

- Decrease primarily attributable to a reduction in Trade and Other Receivables from lower accruals for FY16 adjustments and GAPE Fees
- Increase in Other current liabilities primarily due to interest rate swaps maturing in FY17 from non-current liabilities
- Borrowings decreased due to the revaluation of the Eurobonds and payment made to the revolving loan facility
- Non current Liabilities increased due to increased deferred tax liability and increases associated with the mark-to-market valuation of Cross Currency Swaps Interest Rate Swaps associated with the Eurobonds

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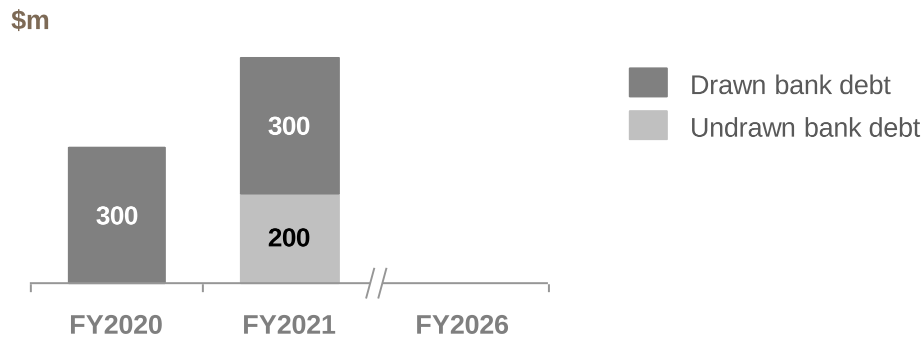
Funding and Capital Management

Funding Update

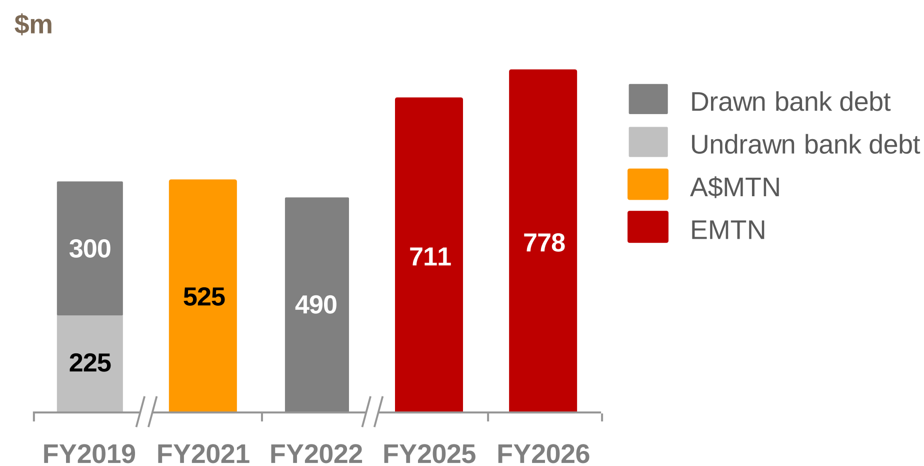
Current Ratings Are Appropriate

- Moody's outlook lifted to Baa1 (stable) on February 15, 2017
- Board supports current credit ratings in light of market outlook (Moody's Baa1 (negative), S&P BBB+ (stable))
- Strategy remains to diversify funding sources & extend tenor
- Debt maturity tenor stable at 5.3 years
- Interest cost on drawn debt increased 40bps to 5.1% due to impact from longer term debt
- Approximately 76% of interest rate exposure is fixed or hedged.
- Group gearing now 37.1% (37.4% at 30 June 2016)
- Network gearing 51.4% Debt/RAB (56.6% at 30 June 2016)
- Improved coal industry pricing and outlook has lowered counterparty credit risk – all customers are now estimated to be cash positive.

Above Rail $0.6bn Maturity Profile



Below Rail $2.8bn[1] Debt Maturity Profile



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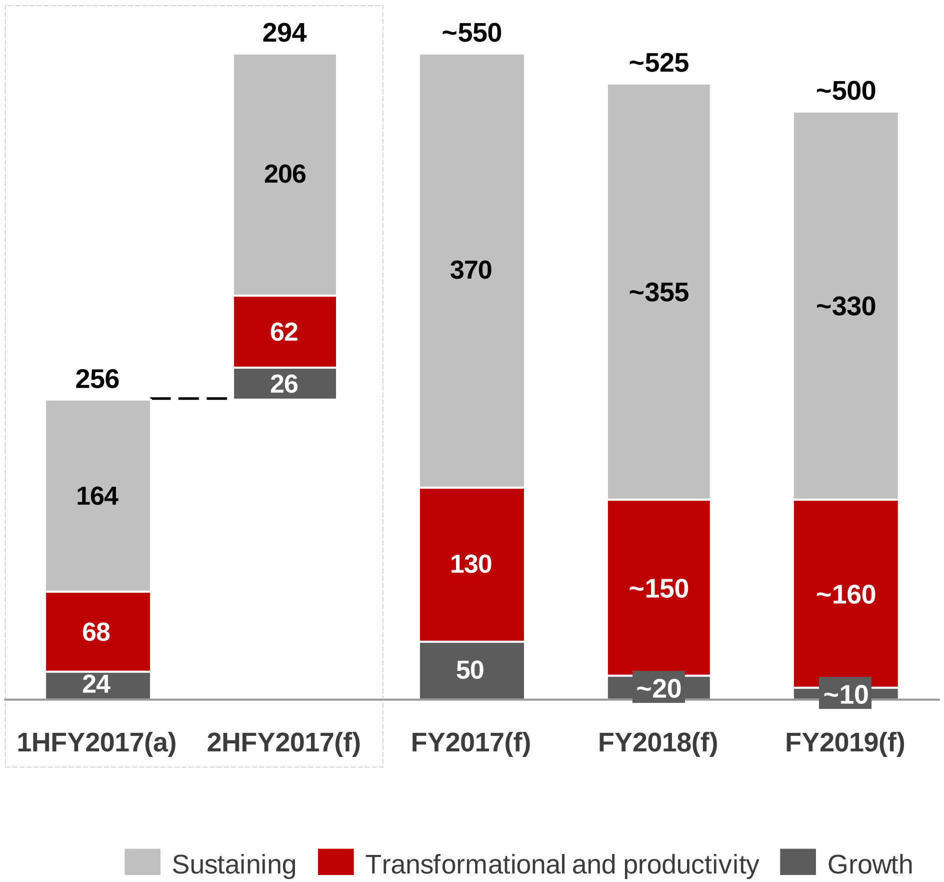
1. Excludes working capital facility.

Group Capital Spend Continues to Reduce

CAPITAL EXPENDITURE FORECAST(F) FY2017 – FY2019 ($M)[1]



- Network 1H17 capex $125m (1H16 $198m)
- FY2017 capex forecast down $50m
- Growth capital in 1HFY2017 fully committed
- Transformation capital for 1HFY2017 has focussed on operational technology programs including:
- Wayside condition monitoring (WCM) and On Train Repair (OTR)
- Driver Advisory System (DAS)
- Network Asset Management System (NAMS)
- Advanced Planning and Execution (APEX) software

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1. Includes capitalised interest but excludes strategic projects.

Below Rail Cashflow Statement

$m	1H FY2017	1H FY2016
EBITDA - statutory	432.3	362.5
Working capital & other movements	(1.7)	7.7
Non-cash adjustments - impairment	1.4	7.7
Cash from operations	**432.0**	**377.9**
Interest received	0.7	0.9
Income taxes paid	(73.0)	(40.9)
Net cash inflows from operating activities	**359.7**	**337.9**
Net cash outflow from investing activities	**(129.5)**	**(235.6)**
Net (repayments) / proceeds from borrowings	(131.2)	(4.5)
Capital distribution to Parent	(0.6)	(0.4)
Loans from/(to) related parties	27.0	(33.0)
Finance lease payments	(9.6)	(1.0)
Dividends paid to company shareholders	(14.5)	(113.7)
Interest paid	(77.5)	(62.4)
Net cash outflow from financing activities	**(206.4)**	**(215.0)**
Net increase / (decrease) in cash	**23.8**	**(112.7)**
Free Cash Flow (FCF)[1]	***152.7***	***39.9***

- Strong growth in FCF due to stronger earnings and lower capex due to ceasation of growth capex
- FCF exceeded dividend payments

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1. Defined as net cash inflow from operating activities less net cash outflow from investing activities less interest paid.

Regulation

Aurizon Network – UT4[1] Final Decision

Maximum Allowable Revenue (MAR)	› Overall maximum revenue of $3.933 billion over the period of the Undertaking › Weighted Average Cost of Capital (WACC) - 7.17%
True-up recovery process	› The Final UT4 Decision highlighted a net under recovery of Regulatory Revenue in FY14 and FY15 (representing the difference between transitional revenues and the final Allowable revenue) › In FY17, Aurizon Network will recover $89m of True-up Revenue relating to FY14 and FY15, net of Revenue Cap
Wiggins Island Rail Project (WIRP)	› The QCA has continued to apply a revenue deferral for WIRP customers who are not expected to rail during the FY14 - FY17 regulatory period › The QCA has recognised the ability for Aurizon Network to seek QCA approval to reduce the scope of the revenue deferral as WIRP volumes increase › The deferral amount is Net Present Value (NPV) neutral › WIRP revenues remain socialised within the two existing System Allowable Revenues – the Blackwater and Moura systems
Asset Stranding	› The QCA believes each situation should be considered on a case by case basis › The QCA believes Aurizon Network is best placed to mitigate stranding risk › As in UT3, QCA can optimise however under UT4 they must first consider any alternate proposal and consult with Aurizon Network › Optimisation is a last resort and socialisation is an alternative › Optimisation reversed where conditions improve › Security under standard access agreement increased to six months (from three months under UT3)

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1. Access Undertaking 4 (UT4) applies for the period 1 July 2013 to 30 June 2017.

UT5 – Submitted November 2016

CONTEXT

- Aurizon Network submitted to the Queensland Competition Authority (QCA) its Draft Access Undertaking (UT5 Draft).
- The UT5 Draft covers the period 1 July 2017 – 30 June 2021.
- It largely reflects the policy positions of the previous undertaking (UT4), approved by the QCA on 11 October 2016 and due for expiry on 30 June 2017.

OBJECTIVES

- UT5 recognises the significant investment by many stakeholders in the development of UT4.
- Aurizon Network considers that the inherent risks of the network business are higher than what the QCA has previously considered.
- If Aurizon Network is required to accept a lower return than proposed in the UT5 Draft, then the risk associated with ownership and management of the asset should reduce accordingly.
- Aurizon Network is working with customers to explore ways to improve utilisation of the existing network without the need for large-scale capital investment.

REVENUE PROPOSAL

- Significantly larger Regulated Asset Base (RAB) of ~$6.2 billion[1] as a result of customer requested expansions.
- The roll-forward RAB now includes the majority of capital expenditure relating to Wiggins Island Rail Project (WIRP)[2].
- Proposes a Maximum Allowable Revenue (MAR) of $4,892 million over the four year regulatory period.
- Reduces WACC to 6.78% (from 7.17% in UT4).
- Includes a change in the inflation application and methodology that reflects a reduction in the inflation expectations for the period.
- The methodology for operating expenditure, maintenance and depreciation allowance is broadly unchanged.
- Results in an 11% increase in average CQCN tariffs.

POLICY PROPOSAL

- Policy changes limited to matters addressing:
  - Issues with UT4 practicality, workability or efficiency;
  - Specific customer requests; and
  - The removal of UT4 positions that Aurizon Network considers are not within the QCA's powers and materially impact on Aurizon Network's legitimate business interests.

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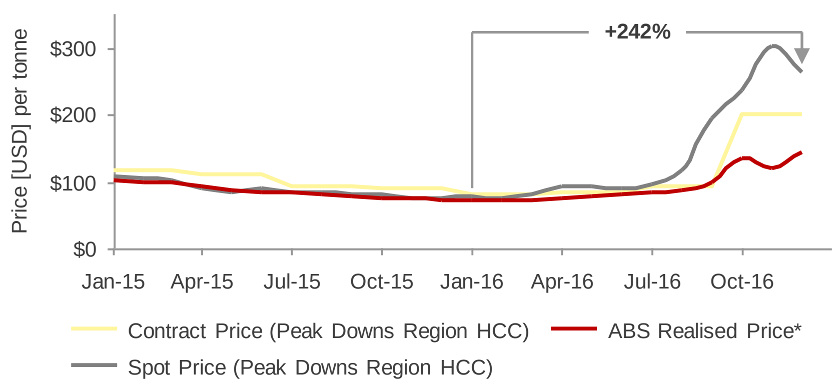
1. Estimated UT5 opening RAB including $0.4 billion of mine specific infrastructure
2. Estimated subject to QCA approval. Blackwater capital expenditure is included whilst Moura remains deferred.

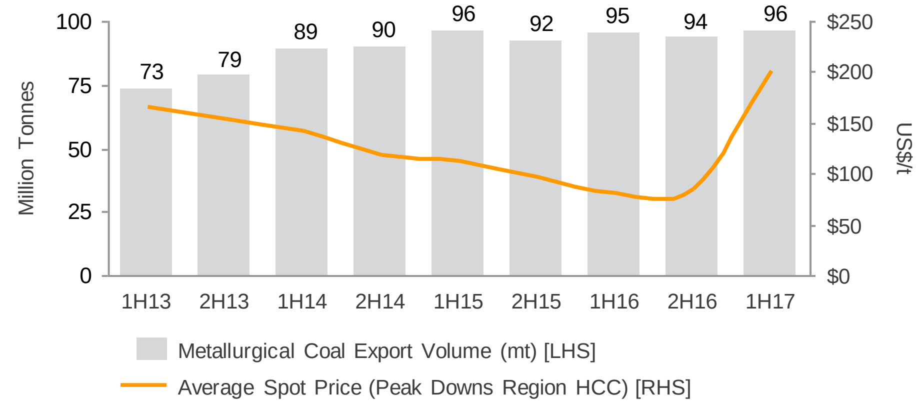
Coal Market Update

Coal Market Update: Market Fundamentals

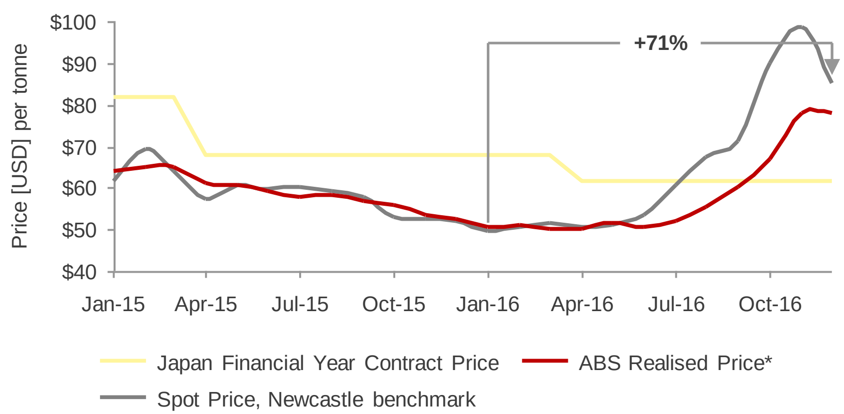
METALLURGICAL COAL: CONTRACT, SPOT AND REALISED PRICE (USD) MONTH AVERAGE (JANUARY 2015 TO DECEMBER 2016)



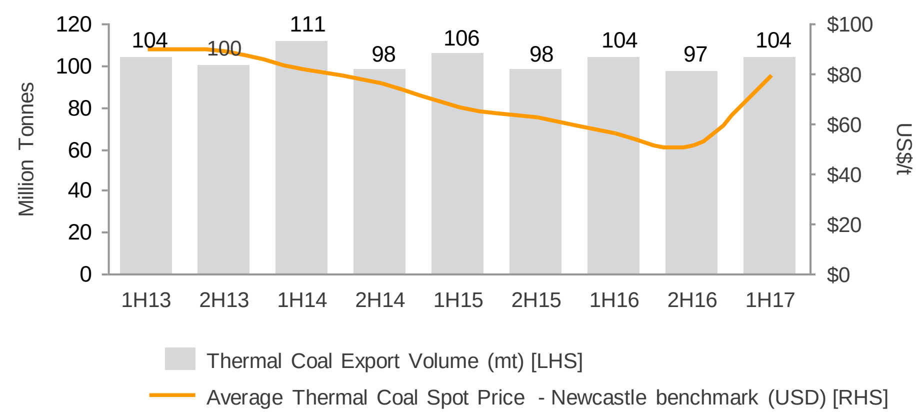
METALLURGICAL COAL: SPOT PRICE AND AUSTRALIA EXPORT VOLUME



THERMAL COAL: CONTRACT, SPOT AND REALISED PRICE (USD) MONTH AVERAGE (JANUARY 2015 TO DECEMBER 2016)



THERMAL COAL: SPOT PRICE RELATIVE TO AUSTRALIA EXPORT VOLUME



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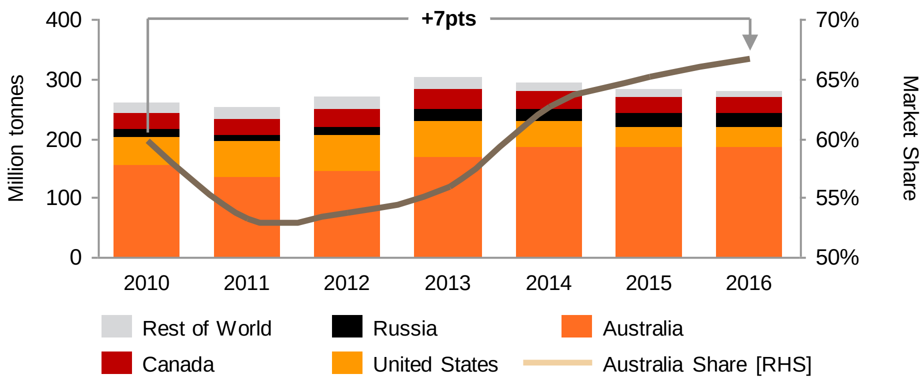
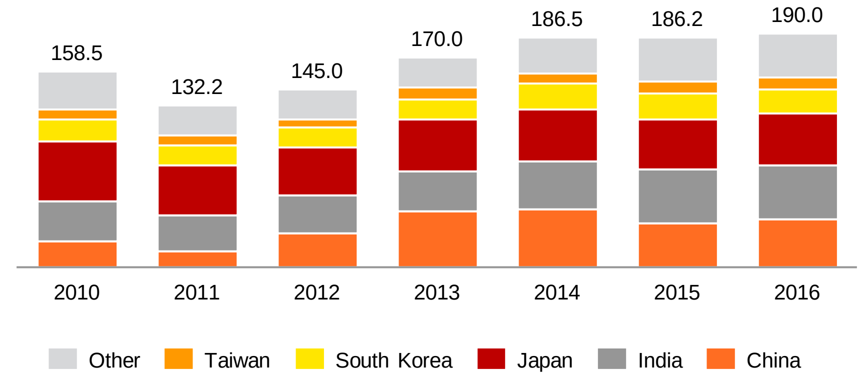
* Based on Australian Bureau of Statistics data reported in AUD and converted to USD using monthly average exchange rate.
Source: Australia Bureau of Statistics, Platts.

Coal Market Update: Australia

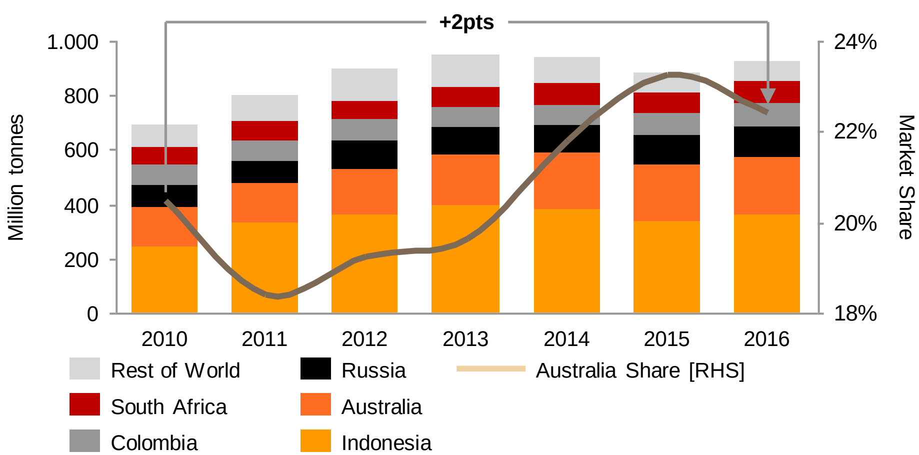
Metallurgical Coal Seaborne Exports
Volume and Market Share, Calendar Years



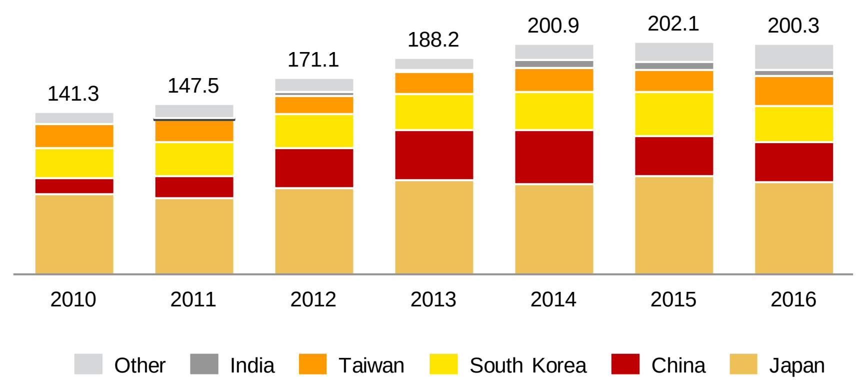
Australia Metallurgical Coal Exports By Destination
Calendar years (million tonnes)



Thermal Coal Seaborne Exports
Volume and market share, calendar years



Australia Thermal Coal Exports By Destination
Calendar years (million tonnes)



Source: Wood Mackenzie Coal Markets Tool (2H 2016), Australia Bureau of Statistics

Questions & Answers

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Appendices

Appendix 1: UT5 Draft Revenue and WACC

Appendix 2: Regulatory Revenue Protection

Appendix 3: Aurizon Group Financial Information

Appendix 4: Aurizon Company History

Appendix 5: Network Management Team

Appendix 1

UT5 Draft Revenue & WACC

UT5 Draft: MAR[1] and Forecast Volumes

MAR $m	UT4		UT5				
	Total	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**Total**
Return on capital	**1,526**	420	409	402	395	386	**1,592**
Depreciation (less inflation)	**771**	218	284	281	289	287	**1,141**
Maintenance costs	**805**	207	221	225	235	240	**921**
Operating costs	**815**	223	206	211	217	221	**855**
Tax net imputation credits	**144**	41	78	81	85	85	**328**
Total MAR	**4,062**	1,109	1,198	1,201	1,220	1,219	**4,838**
Capital carryover	**(129)**	(34)	13	13	14	14	**54**
Total Adjusted MAR	**3,933**	1,074	1,211	1,214	1,233	1,233	**4,892**
Forecast Volumes		**221.4**	**225.7**	**228.4**	**228.4**	**228.4**	

1. Maximum Allowable Revenue that Aurizon Network is entitled to earn from the provision of coal carrying train services on the CQCN.

UT5 Draft: Allowable Return on Capital

Financial Outcomes	UT4 Final	UT5 Submission
Decision Date	28 Apr 2016	n/a
Risk-free Rate	3.21%	2.13%
Averaging Period	20-Day to 31 Oct 2013	20-Day to 30 Jun 2016
Term of Risk-free Rate	4-year	10-year
Gearing Ratio	55%	55%
Benchmark Credit Rating	BBB+	BBB+
Asset Beta	0.45	0.55
Equity Beta	0.8	1.0
Market Risk Premium	6.5%	7.0%
Debt Margin[1]	2.94%	2.732%
Gamma	0.47	0.25
Return on Equity	8.41%	9.13%
Return on Debt	6.15%	4.86%
WACC (post tax nominal vanilla)	**7.17%**	**6.78%**
Inflation	2.50%	1.22%

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1. Debt margin includes debt transaction costs.

Appendix 2

Regulatory Revenue Protection

Regulated Revenues Within a Stable and Well-Established Regulatory Regime

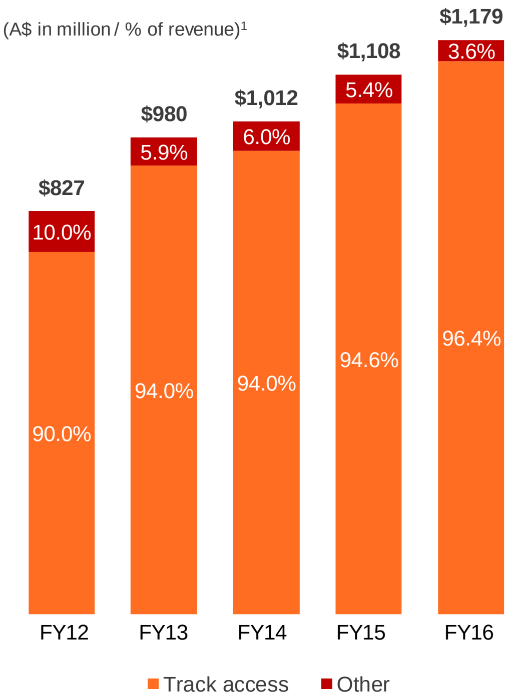
1 Well Established Regulatory Regime

- The provision of transportation services by rail on the CQCN is regulated by the Queensland Competition Authority
- The CQCN is a vital part of the Central Queensland coal supply chain
- The form of regulation is a conventional revenue cap

2 Stable Regulated Revenue Base

- Over 90% of Aurizon Network revenue is from track access payments
- Access revenue growth and contribution have remained stable over time

(A$ in million / % of revenue)[1]



3 Well Developed Building Block Approach To Revenue Determination

1. RAB is approved by the QCA on a Depreciated Optimal Replacement Cost basis
2. "Building block" approach adopted to determine the CQCN's maximum allowable revenue
3. Reference tariffs determined, taking into consideration forecast volumes and under and over recovery in prior periods

BUILDING BLOCKS

WACC (return on capital)
+
Depreciation net of inflation (return of capital)
+
Opex
+
Maintenance
+
Gamma adjusted tax
=
Aurizon Network's maximum allowable revenue

1. ASX market announcement, Aurizon Network – Segment note reinstatement January 13, 2014.

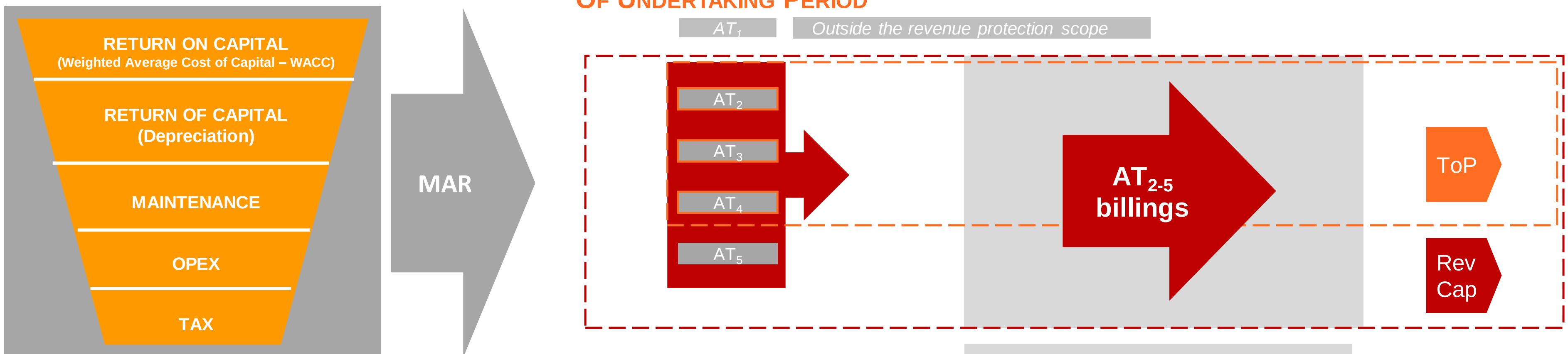
The CQCN Regulatory Framework Provides Revenue Protection Through a Building Block Approach

MAXIMUM ALLOWABLE REVENUE

REGULATORY REVENUE (FORECASTED) FOR EACH YEAR OF UNDERTAKING PERIOD

TOTAL ACTUAL REVENUE

PROTECTION TESTS



These building blocks represent Capital and operational costs that Aurizon Network can recover for CQCN access

The QCA approves the Maximum Allowable Revenue (MAR) that can be earned by Aurizon Network.

Revenue for each year determined by individual system, based on regulatory approved forecasted volumes

These five different reference tariffs reflecting different recovery categories

Total Actual Revenue (TAR)

Total Actual Revenue for revenue protection calculation purposes = System Allowable Revenue (SAR) (including ToP if triggered) adjusted for rebates, cross system traffic and transfer/relinquishment fees

- Aurizon Network's regulated revenue is protected through a combination of contractual and regulatory mechanisms that are included in the Access Undertaking and access agreements
- These mechanisms come into effect when revenue shortfalls occur due to actual tonnage railed being less than regulatory approved tonnage forecasts

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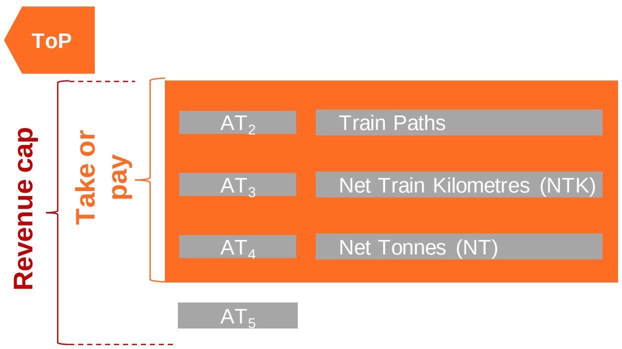
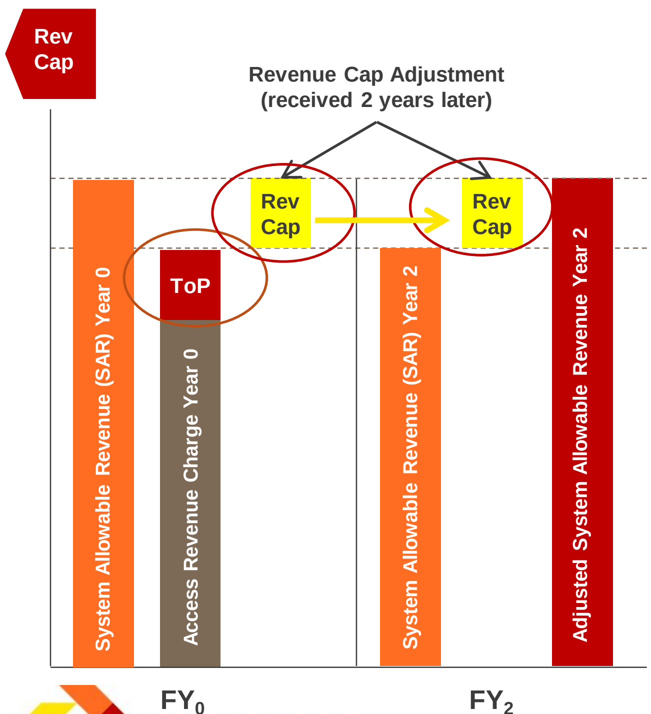
… with Take-or-Pay Protection Should Revenues Fall Short (With a Revenue Cap)





1 Take-or-pay mechanisms

- Primary revenue protection mechanism available to Aurizon Network
- Allows Aurizon Network to recover revenue shortfall directly from the access holder

2 Revenue cap mechanism

- Comes into effect in the event take or pay mechanisms do not recover a revenue shortfall
- Revenue cap mechanism allows for remaining shortfall to be recovered two years later through a WACC adjusted tariff
- In the event that total allowable revenue collected exceeds the Maximum Allowable Revenue **(MAR),** the revenue cap mechanism will return the surplus revenue two years later through an adjusted tariff

3 Socialisation of counterparty risk

- Counterparty risk occurs when certain mines are no longer in operation
- If a counterparty fails, the total allowable revenue will be shared among the remaining users and so Aurizon Network will continue to earn its aggregate regulated revenue

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Appendix 3

Aurizon Group

Financial Information

Group Financial Highlights

$m	1HFY2017	1HFY2016	Variance
Revenue	1,781	1,758	1%
Operating costs	(1,006)	(1,075)	6%
Depreciation & amortisation	(287)	(280)	(3%)
EBIT – underlying[1]	488	403	21%
EBIT – statutory	167	(23)	-
Operating Ratio (%)	72.6	77.1	4.5ppt
NPAT – underlying[1]	279	237	18%
NPAT – statutory	54	(108)	-
EPS (cps) – underlying	13.6	11.2	21%
EPS (cps) – statutory	2.6	(5.1)	-
DPS (cps)	13.6	11.3	20%

- Revenue growth includes timing differences in Network to reflect UT4 finalisation and bank guarantee for Bandanna
- Operating costs decrease reflects $64m in transformation benefits and $36m reduction in access charges
- Depreciation increase reflects Below Rail increase due to rail renewals and ballast undercutting partially offset by a decrease in Above Rail depreciation
- Pre-tax statutory results include $321m in redundancy costs and impairments
- Dividend based on 100% payout ratio

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1. Refer following slide for details of underlying adjustments.

Earnings Reconciliation and Significant Items

Earnings Reconciliation

$m	1H		
	FY2017	FY2016	FY2016
Underlying EBIT	**488**	**403**	**871**
Significant items			
Impairments	(257)	(426)	(528)
Redundancy costs	(64)		
Statutory EBIT	**167**	**(23)**	**343**
Net finance costs	(92)	(70)	(150)
Statutory profit before tax	75	(93)	193
Income tax expense	(21)	(15)	(121)
Statutory NPAT	**54**	**(108)**	**72**

Significant Items – Impairments

	$m
Intermodal	(162)
FMT[1] project	(64)
Freight review contract costs	(10)
Other assets	(21)
	(257)

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1. Freight Management Transformation.

Strong FCF Generation Helped by Moorebank

$m	1H FY2017	1H FY2016
EBITDA - statutory	454	257
Working capital & other movements	33	(47)
Non-cash adjustments - impairment	266	426
Cash from operations	**753**	**636**
Interest received	2	1
Income taxes paid	(130)	(115)
Net cash inflows from operating activities	**625**	**522**
Net cash outflow from investing activities	**(182)**	**(396)**
Net (repayments) / proceeds from borrowings	(31)	388
Payment for share buyback and share based payments	(7)	(168)
Interest paid	(87)	(63)
Dividends paid to company shareholders	(273)	(295)
Net cash outflow from financing activities	**(398)**	**(138)**
Net increase / (decrease) in cash	**45**	**(12)**
Free Cash Flow (FCF)[1]	***356***	***63***

- Strong growth in FCF due to stronger earnings and lower capex
- FCF exceeded dividend payments
- Result includes $98m proceeds from disposal of Moorebank investment

1. Defined as net cash inflow from operating activities less net cash outflow from investing activities less interest paid.

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Balance Sheet Summary

As at ($m)	31 Dec 2016	30 Jun 2016
Total current assets	756	844
Property, plant & equipment	9,454	9,719
Other non-current assets	257	305
Total assets	**10,467**	**10,868**
Other current liabilities	(596)	(732)
Total borrowings	(3,388)	(3,490)
Other non-current liabilities	(940)	(932)
Total liabilities	**(4,924)**	**(5,154)**
Net assets	**5,543**	**5,714**
Gearing - net debt / (net debt + equity)	**37.1%**	**37.4%**

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Improvements in Key Operating Markets, Too Early to Call Volume Impact

	Coal	Iron Ore

Markets	› Strong prices driven by supply restricting policy in China
	› Near term volume upside more apparent with mines operating at low utilisation
	› Met coal – Australian exports increased to 67% market share in 2016
	› Thermal coal – share dropped marginally to 22% due to expected increase in Indonesian exports
		› Price support driven by:
		  › Increase in Chinese crude steel production
		  › Demand for higher grade ores
		› Additional future supply likely to put some pressure on prices long term

Customers	› All customers estimated at positive cash margins › New form contracts now 96% of volumes › Weighted average contract life 10.1 years › Recent moves include AGL win and Whitehaven increase › Sustained elevated coal prices may present future volume and growth opportunities	› All customers estimated at positive cash margins › Weighted average contract life 8.1 years after executing an extension with Karara › Mt Gibson production expected to be extended to align with December 2018 contract end following announcement of approval for Iron Hill mine

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FY17 AZJ Group Guidance Range Unchanged

FY2017

- Revenue $3.35 - $3.55bn
- Underlying EBIT $900 - 950m, assumptions:
  - Above Rail
    - Moderate growth from prior year – transformation and stronger coal offset weaker Freight
    - Volumes of 255 – 275mt, including Coal 200 - 212mt
  - Below Rail
    - EBIT expectations increased – UT4 true-up at higher end of range, additional $10m energy recovery (year earlier than expected) and GAPE and AFD true-up
  - Group
    - 1H results include benefit of non-recurring items from prior year
    - Excludes transformation related restructuring and redundancy costs (at least $100m)
    - No major weather impacts

FY2018

- Achievement of 70% OR target remains dependent on:
  - Delivery of $380m transformation target
  - Above rail volume growth
  - UT5
  - Outcome of freight review

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Appendix 4

Aurizon Company History

Company History

2010

Restructure
Separation of Queensland Rail from QR Limited (State of QLD interest of 100%)

IPO
QR National listed on ASX (State of QLD interest of 34%)

2011

Completion of A$1.1bn Goonyella to Abbot Point Expansion (GAPE) project

2012

Name change
“QR National" renamed "Aurizon“

State of QLD commences reduction of ownership

2013

New Capital Structure and Reorganisation
New long term capital structure implemented, with standalone debt facilities put in place for both Aurizon Holdings and Aurizon Network

A$ Medium Term Note issue (MTN) in October 2013

State of Queensland reduces its ownership below 5%

2014

Debut Euro MTN issue in September 2014

2015

Tim Poole appointed to Aurizon Board as Chairman

Completion of $800m Wiggins Island Rail Project (WIRP)

2016

Andrew Harding appointed CEO of Aurizon

Pam Bains appointed CFO of Aurizon

UT4 Final Decision announced (total UT4 MAR $3.922bn)

AZJ lodges UT5 submission proposing MAR of $4.892bn

Euro MTN issue in June 2016

2017

QR National

Aurizon Holdings — **Baa1 / BBB+ (stable / stable)**, **Market cap: A$10.8bn[1]**

Aurizon Network — **Baa1 / BBB+ (stable/ stable)**, **RAB: A$5.8bn[2]**

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1. As at 2nd March 2017.
2. Estimate as at 30 June 2017 -excludes $0.4bn in assets operating under an Access Facilitation Deed (AFD). Estimate subject to QCA Approval of RAB roll-forward and approval of the FY2016 and FY2017 Capital Claims.

Appendix 5

Network Management Team

Aurizon Network: Experienced Management

ALEX KUMMANT
DIRECTOR,
EXECUTIVE VICE PRESIDENT

Mr Kummant has more than 25 years' experience in the North American industrial sector, including various executive roles in the rail industry. Mr Kummant was appointed Executive Vice President Network in November 2013 having joined the Company as Executive Vice President Strategy in October 2012. Prior to joining Aurizon Mr Kummant was Chief Executive Officer of Amtrak and Vice President in several executive roles at Union Pacific, the world's largest freight railroad. Prior to joining Union Pacific, Mr Kummant held various executive roles at Emerson Electric Co. and SPX Corporation. Mr Kummant holds a Bachelors Degree in Science (Mechanical Engineering), a Masters of Engineering (Manufacturing) and a MBA (Stanford).

SCOTT RIEDEL
VICE PRESIDENT – NETWORK OPERATIONS

Mr Riedel has more than 25 years' experience in the rail and petrochemical industries in Australia, Asia and the UK. This experience includes managing all phases of rail projects from concept to renewal, including project execution and operational requirements. As VP Network Operations, Mr Riedel is responsible for safely and sustainably delivering maximum system throughput at the lowest cost of operation, while ensuring the integrity of the CQCN for the coal industry. Mr Riedel's direct responsibilities include asset maintenance, scheduling access paths, operational train control, minor maintenance execution and emergency and incident management and response. Mr Riedel holds an Honours Degree in Electrical Engineering, a Graduate Diploma in Business, and is a Registered Professional Engineer of Queensland.

CLAY MCDONALD
VICE PRESIDENT – NETWORK COMMERCIAL

Mr McDonald has 15 years' experience in the transport and logistics sector in Queensland and New South Wales. As Vice President Commercial Development, Mr McDonald is responsible for the planning and development of the CQCN and for managing the commercial arrangements for access to the network. Prior to his current role, he was VP Network Operations for over four years and Group General Manager of Above Rail Operations responsible for Blackwater, Moura and West Morton coal corridors for three years. Mr McDonald has a Bachelor of Science from University NSW and a Masters Degree in Operations from Macquarie Graduate School of Management (MGSM). In 2016 Mr McDonald completed an Advanced Management Program at Harvard University.

SEAN BURTON
ACTING VICE PRESIDENT – NETWORK FINANCE

Mr Burton has 20 years' experience in finance roles across Public Practice, Public Service and Commerce in Australia and the UK. As Acting Vice President Network Finance, Mr Burton's responsibilities include providing insight through business partnering, strategic and financial planning and external stakeholder engagement. Mr Burton is also Chairperson of the Aurizon Network Investment Committee. Prior to his current role, Mr Burton spent four years as a Finance Manager in Aurizon's Network business and worked in a number of key finance and strategic project roles. These include the privatisation and ASX listing of QR National (Aurizon) in 2010 as well as the $3.6 billion restructuring of Aurizon's Network business. Mr Burton holds a Bachelors Degree in Accounting and a Masters Degree in Commerce and is a Fellow of CPA Australia.

PRUE MACKENZIE
VICE PRESIDENT – REGULATION

Ms Mackenzie has 15 years' experience in corporate finance, M&A, capital markets and marketing in Australia, Asia, the UK and USA. As Vice President Regulation, Ms Mckenzie is responsible for managing Aurizon Network's regulatory compliance, policy, processes and framework for access to the CQCN. Prior to her current role, Ms Mackenzie was Vice President Commercial & Marketing and Vice President Mergers and Acquisitions. During this time Ms Mackenzie was accountable for over $1 billion of annual revenue from coal customers; led the $3.6 billion restructuring of Aurizon's Network business and led the transaction with the Queensland Government to buy back $1 billion of equity with a simultaneous $500 million placement to key new investors. Ms Mackenzie is an alumni of Harvard Business School and the University of Queensland and is an Industry Fellow within the Business, Economic and Law Faculty at the University of Queensland.

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Aurizon Network: Experienced Board

MICHAEL FRASER
NON-EXECUTIVE CHAIRMAN

Mr Fraser has more than 30 years' experience in the Australian energy industry. He has held various executive positions at AGL Energy culminating in his role as Managing Director and Chief Executive Officer for the period of seven years until February 2015. Mr Fraser is currently a Non-Executive Director of the ASX listed APA Group. Mr Fraser is a former Chairman of the Clean Energy Council, Elgas Limited, ActewAGL and the NEMMCo Participants Advisory Committee, as well as a former Director of Queensland Gas Company Limited, the Australian Gas Association and the Energy Retailers Association of Australia.

ALEX KUMMANT
DIRECTOR,
EXECUTIVE VICE PRESIDENT

Mr Kummant has more than 25 years' experience in the North American industrial sector, including various executive roles in the rail industry. Mr Kummant was appointed Executive Vice President Network in November 2013 having joined the Company as Executive Vice President Strategy in October 2012. Prior to joining Aurizon Mr Kummant was Chief Executive Officer of Amtrak and Vice President in several executive roles at Union Pacific, the world's largest freight railroad. Prior to joining Union Pacific, Mr Kummant held various executive roles at Emerson Electric Co. and SPX Corporation. Mr Kummant holds a Bachelors Degree in Science (Mechanical Engineering), a Masters of Engineering (Manufacturing) and a MBA (Stanford).

JOHN COOPER
NON-EXECUTIVE DIRECTOR

Mr Cooper has more than 35 years' experience in the construction and engineering sector in Australia and overseas. Currently, Mr Cooper is Chairman and Non-Executive Director of Southern Cross Electrical Engineering Limited and also holds a Non-Executive Directorship with NRW Holdings Limited. During his career as an executive Mr Cooper's roles have encompassed large civil, commercial and infrastructure projects and complex engineering and project management activities in the mining, oil and gas, engineering and property sectors.

ANDREW HARDING
DIRECTOR

Mr Harding has more than 24 years' experience as an executive in the resources industry. He was appointed Managing Director & CEO of Aurizon in December 2016 to lead the Company into the next phase of its transformation program. Prior to joining Aurizon, Mr Harding was Global Chief Executive for Rio Tinto's Iron Ore business. He brings extensive operational experience in the resource industry and in managing supply chains for the world's largest integrated portfolio of iron ore assets. He is focused on leading performance improvement initiatives, and has championed a number of workplace initiatives including improvements in safety, a commitment to diversity, and the strengthening of indigenous and community relationships.

SAM LEWIS
NON-EXECUTIVE DIRECTOR

Ms Lewis has extensive financial experience, including as a lead auditor of a number of major Australian listed entities. Ms Lewis has significant experience working with clients in the manufacturing, consumer business and energy sectors, and in addition to external audits, has provided accounting and transactional advisory services to other major organisations in Australia. Ms Lewis's expertise includes accounting, finance, auditing, risk management, corporate governance, capital markets and due diligence. Ms Lewis is currently a non-executive director and chair of the Audit & Compliance Committee of Orora Limited and also holds a Non-Executive Directorship with Greenstone Limited. Previously, Ms Lewis was an Assurance & Advisory partner from 2000 to 2014 with Deloitte Australia.

KATE VIDGEN
NON-EXECUTIVE DIRECTOR

Ms Vidgen began her career as a banking, finance and energy lawyer at Malleson Stephen Jacques and in 1998 started in the Infrastructure advisory team within the Macquarie Group. During her time at Macquarie, Kate has traversed a number of sectors with a focus on infrastructure, energy and resources.
Kate has also held a number of roles including heading up Macquarie Capital's coal advisory team in Australia and being Global Co-Head of Resources Infrastructure. Ms Vidgen remains an Executive Director at Macquarie Capital and is currently the Global Head of Principal in Resources. Kate is also the Founding Chair of Quadrant Energy, a privately held oil and gas producer and explorer which is the single largest domestic gas supplier in the Western Australian market.


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