



Aurizon Holdings Limited
ABN 14 146 335 622

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

12 November 2015

Aurizon – 2015 Annual General Meeting Addresses

Please find attached the addresses by the Company's Chairman Mr Tim Poole and Managing Director & Chief Executive Officer Mr Lance E Hockridge, to be presented at today's Annual General Meeting commencing at 10.00am (Brisbane time).

Kind regards

A handwritten signature in black ink, appearing to read "D. Smith", written over a horizontal line.

Dominic D Smith
VP & Company Secretary

Annual General Meeting Address

Tim Poole (Chairman) and Lance Hockridge (MD&CEO)

Sofitel Hotel, Thursday 12 November 2015

Good morning ladies and gentlemen.

On behalf of the Board I welcome you to this, the fifth AGM of Aurizon Holdings Limited, and my first as a Director and Chairman.

In keeping with Aurizon's commitment to reconciliation and respect, I acknowledge the Turrbal and Jagera people as the traditional owners of the land where we gather and recognise that this land has always been under their custodianship. I pay my respect to elders past and present and to emerging community leaders. I also extend respect to all Aboriginal and Torres Strait Islander people here today.

Ladies and gentlemen, I am delighted and honoured to be your Chairman. I have come to the Company with great optimism for the future and in what we can achieve in the next stages of development.

The Aurizon transformation story is one which I have watched with great interest, and especially since the privatisation and IPO, five years ago. You can be justifiably pleased that the Company has delivered across many dimensions.

Not only have Total Shareholder Returns (TSR) outperformed the ASX200 since listing on the ASX, but the Company has earned a reputation for delivering on its commitments. At an organisational level – in safety, operational efficiency, and commercial and customer performance – Aurizon has achieved a great deal.

Together with my fellow Directors, a strong management team and a talented group of employees, the Company is well positioned for both the challenges and opportunities ahead.

Today as Chairman, I am in a rather unique position with respect to the business of this Annual General Meeting. I joined the Board on 1 July of this year and assumed the Chairmanship on 1 September. Therefore, with respect to the previous year's activities and the financial accounts, I will defer to our Managing Director & CEO Lance Hockridge to provide detailed commentary to you. Lance will do this directly after my remarks.

I will also be inviting some Directors to actively participate in today's meeting. Directors whom are nominated for re-election will address you and outline their credentials. As Shareholders I believe it is important that you are given the opportunity first-hand to understand the experience, knowledge and skills that Directors bring to your Company's Board.

First, a little background to introduce myself. I began my career at Price Waterhouse in Melbourne. I later joined Hastings Fund Management, where I spent more than a decade investing in and managing infrastructure investments on behalf of clients. I became Managing Director of Hastings in 2005 and when I left in 2007 we had approximately \$4.5 billion of funds under management.

In the transport and logistics space, I was Chairman of port and rail company, Asciano from 2007 to 2009, and in mining, a Non-Executive Director of Newcrest Mining from 2007 until July this year. Until recently I have also been a Non-Executive Director and Chairman of the Investment Committee of Australian Super, Australia's largest superannuation fund and a very big investor in Australian infrastructure assets.

Since commencing as a Director I have met with many large institutional shareholders, as well as customers and a range of other stakeholders. I have also visited operational sites and met local employees. I have been impressed by the leadership capability, depth of operational knowledge, commitment to and interest in innovation, the competitive spirit of our people and, most importantly, the very strong safety culture.

One of the key challenges for Aurizon is to continue the transformation momentum and to accelerate the pace of change. At our Investor Day last month, Lance and the management team provided further detail on our transformation targets for the next three years to improve productivity, improve customer service and reduce costs in the range of \$310 to 380 million. This plan will push us towards our goal of an Operating Ratio of 70% for the 2018 financial year.

The Board and management team are also currently working on updating our capital management plan. We will update shareholders on our plans during the current financial year. In the meantime the Board recently decided to lift the Company's dividend payout ratio range to 70 to 100% of Net Profit After Tax. The recently paid final dividend in respect of the 2015 financial year represented a payout of 100% of our second half Net Profit After Tax. We have also continued our on-market share buyback and have decided to extend this for another 12 months with the aim of completing the buyback of 107 million shares.

We know the markets in which we operate, and the competitor environment, are challenging and rapidly evolving. We also understand that our customers, especially those in the resources sector, continue to be under intense market pressure.

And the Australian economy, while on sound and robust foundations, still has much to do in terms of reform to encourage investment, growth and wealth creation. By lifting productivity and economic activity, Australia will be able to genuinely capitalise on the high levels of growth in the Asia Pacific region.

Transport, logistics and associated infrastructure has a critical role in this equation. And herein lies the commercial and growth opportunities for Australian companies like Aurizon. We are an established service provider in many sectors poised for continued growth in domestic and international markets: agricultural products, resource commodities, and industrial and consumer goods.

We believe rail has an outstanding opportunity to increase its share of the land transport freight task in Australia, particularly in the intermodal space, as pressure builds on our roads and our cities. Rail offers an efficient, safe and environmentally friendly means of transport.

We also remain confident in continuing strong demand for high-quality Australian resources, despite the lower-price environment for commodities including coal and iron ore. The export volumes of coal and iron ore, Australia's two most valuable commodities, reached record levels during the 2015 financial year. Aurizon remains the predominant provider of haulage services and network infrastructure for the Australian coal industry.

We have recently released our 2015 Sustainability Report which addresses in detail the future of coal. This covers both thermal coal that is used in power generation and also metallurgical coal used to make steel. We continue to undertake detailed analysis on future markets for the high quality coal that Australia produces. Our work looks at market, environmental and geo-political considerations.

We accept the science of climate change and the likely growth in renewable sources of power. Yet we have confidence that long-term demand for thermal coal will continue, particularly for high-energy, low-sulphur Australian coals that are used in power stations increasingly adopting super-critical technology.

We take the environment and our corporate social responsibility seriously. We understand that to grow and succeed, Aurizon must have a strong, enduring social licence to operate, and a business model that is grounded in economic, environmental and social principles.

Our view on the future of coal in the global energy mix is therefore more positive and balanced than some others in this space. I encourage you to read the report to better understand the sound commercial rationale for our coal business.

Our outlook for coal haulage for the 2016 financial year remains unchanged in the range of 210 to 220 million tonnes, reflecting the continuing strong production of customers. Similarly, the Company's forecasts for iron ore haulage at around 24 million tonnes and freight volumes at around 45 million tonnes remain unchanged.

We continue to work closely with our customers in this tough trading environment to identify further productivity initiatives and service enhancements that will be of mutual benefit.

There is ongoing work to progress near-term and long-term opportunities for the Company's growth, including intermodal, coal and iron ore. There is a disciplined assessment of all investment opportunities. Lance will talk to these in more detail including the proposed West Pilbara Infrastructure Project.

In closing, I would like to acknowledge Directors Graeme John and Andrea Staines who have made significant contributions to the Company. Andrea resigned in February 2015 and Graeme has decided not to stand for election at this AGM. Thank you Graeme and Andrea for your outstanding contributions to the Board and the Company.

I would like to especially acknowledge the contribution of recently retired Chairman John Prescott who served the Company for almost a decade. It's hard to describe the enormity of the change and improvement that occurred under John's leadership. This Company emerged from government ownership to a top 30 ASX entity with vastly improved levels of safety, operational and commercial performance. I would also like to thank John for his personal assistance to me in effecting a seamless transition, and for generously sharing his knowledge and counsel.

The Board renewal during the past year reflects our commitment to continually assess the structure and performance of the Board, and to ensure we meet the Company's changing needs. This work is ongoing.

I look forward to ongoing engagement with shareholders, employees, customers, government representatives and other stakeholders. I greatly value these interactions and welcome the feedback. I thank you, our shareholders in particular, for your support.

We have a great company in Aurizon and a great deal has been achieved in a short space of time. I am excited by the challenges and opportunities ahead, and have confidence in our ability to deliver on the Company's full potential.

I will now invite Lance to share his thoughts with you.

Slide: MD & CEO's Address

Ladies and gentlemen, welcome to the 2015 Aurizon AGM.

Today we are able to reflect on the success of your Company over the past year, and the comprehensive program of initiatives that will drive the transformation in coming years.

I begin by echoing the Chairman's comments – in Financial Year 2015 your Company recorded a solid financial and operational performance. Likewise, I also acknowledge former Chairman John Prescott, who retired in August, for his outstanding contribution to Aurizon.

Slide: Financial Results

In the year under review we achieved, and indeed exceeded, our core financial target of a 75% Operating Ratio — delivering a final OR of 74.3%.

We reported a 14% increase in Underlying Earnings Before Interest and Tax (EBIT) to \$970 million, on flat revenue of \$3.8 billion. Return On Invested Capital (ROIC) improved by 0.9 percentage points to 9.7%.

These results underscore the extent of our improved financial performance over the five years since IPO. Our transformation program is touching every part of our business by increasing productivity, extracting business efficiencies and lowering the cost base.

This means that despite the tough operating environment, with moderating tonnage and revenue growth, we have been able to drive ongoing margin and profit improvement.

As Tim mentioned, we've continued to deliver strong returns to you, our shareholders. The total dividend for the year was 24 cents per share, up 45% on FY 2014. Moving forward, the Board has set a payout ratio of 70 – 100%.

There is no doubt the market conditions have been challenging over the past year and that growth expectations have tempered since the IPO. In this lower-price environment for commodities, we are working closely with customers to enable further supply chain efficiencies which, in turn, assist them with throughput.

A record 226 million tonnes of coal was transported across our Central Queensland Coal Network during the 2015 year. Aurizon hauled a record 211 million tonnes of coal in our New South Wales and Queensland operations; our iron ore business met the guidance of 26 million tonnes for the year; and our general freight business hauled 46 million tonnes.

Slide: Safety

With safety as our core value, it is satisfying that our key safety measures – Lost Time Injury Frequency Rate and Total Injury Rate – continued to trend downwards during the year, decreasing by 43% and 14% respectively.

At last year's meeting, we acknowledged the tragic deaths in October 2014 of three men - two Aurizon employees and a contractor - in a road accident at Stanwell in central Queensland. These fatalities continue to weigh heavily on colleagues and friends in Aurizon. I note that the third party truck driver involved in the incident has been charged and court hearings are currently underway.

There has not been a lost time injury since those terrible Stanwell fatalities. This is the first time in the company's history that we've recorded a LTI-free year. It's a remarkable achievement but we are not celebrating. Plainly, it's a stark reminder that while we have achieved much in safety, we

must never lose sight of the goal of *ZEROHarm*, day in and day out, in every workplace in our business.

Slide: Transformation

Moving now to transformation, where ladies and gentlemen, we are ramping up the intensity of the work that commenced with the IPO. We're continuing to make the business leaner, smarter and more efficient.

In the two years to June 2015, we delivered cumulative transformation benefits of \$252 million. This is line with our commitment to the market. Over that two year period, we hauled 6% more tonnes with 13% fewer people and almost 20 % fewer locomotives. At the same time, average fuel efficiency was 7% better and our carbon footprint about 8% smaller. This demonstrates in a very tangible way the benefits of our transformation for the business and for the community.

At our Investor Day last month, we announced the next phase of transformation that targets further cost reductions and productivity benefits of \$310 to \$380 million for the three years to FY2018. This work is critical to delivering on Aurizon's target of an Operating Ratio of 70% for FY2018.

Our program includes investment in new facilities; ongoing rationalisation of surplus capacity and maintenance facilities; and the rollout of technology to deliver more efficient work practices. There will be on-going, laser-like focus on costs in operations and in corporate support areas.

A large enabler of transformation will also be the implementation of new enterprise agreements covering 5,000 employees in Queensland. These agreements provide us with productivity enhancements and operational flexibility, and together with the suite of other initiatives, will drive significant improvements in coming years.

Slide: Growth

We're also continuing to assess and progress opportunities as we look to diversify the business and create more value across the supply chain. This includes organic growth in existing markets and geographies, and new opportunities in new locations. We understand the current market challenges but likewise we're focussed on a strategy of transformation and long-term growth.

From 1 March this year, Aurizon commenced the ramp-up for the long-term Whitehaven Coal contract in New South Wales, including the Maules Creek mine. The sustained expansion of our NSW coal business, including 6% per cent volume growth in FY2015, has warranted new investment in capacity and efficiency.

Last month we officially opened the \$180 million Hexham Train Support Facility, strategically located near the Port of Newcastle and shown here from an aerial perspective. It provides trains with fuel, water and other supplies, light maintenance and an inspection capability. It will result in more efficient operations, lower maintenance costs and quicker cycle times for our trains.

In March, we also completed Stage 1 of the Wiggins Island Rail Project in Central Queensland which supports an extra 27 million tonnes per annum of coal to the new Wiggins Island Coal Export Terminal in Gladstone. The project was delivered on time and below budget.

In June, Aurizon, with joint venture partner Qube Holdings, received Federal Government approval for the development of the Moorebank intermodal freight facility, south west of Sydney. When fully developed, Moorebank will be the largest integrated warehouse rail terminal precinct in Australia. It will connect to Port Botany, one of Australia's busiest ports, with dedicated rail and road infrastructure. The first stage of the Moorebank project is expected to open in 2017.

The Company also continues to assess the proposal for the development of multi-user rail and port infrastructure to unlock iron ore deposits in the Pilbara in Western Australia. The technical and commercial feasibility studies are progressing with project partners, Baosteel Resources, POSCO and AMCI. The assessment includes a number of approval stages and decision points that clearly acknowledge the challenges in this market. A final investment decision is not expected to occur until late calendar year 2016. Ultimately for this project to go ahead, it needs to be competitive in terms of delivered cost and it must achieve investment hurdle rates determined by the Board.

Slide: Sustainability

All the work we are doing has the core objective of building a long term and sustainable company. A company which delivers lasting value for you our shareholders, our customers, our employees and the communities in which we operate.

Last week we released our second Sustainability Report. It covers the broad range of sustainability initiatives including safety, environmental management, customer partnerships and community engagement. Tim also spoke earlier about the Report's detailed assessment of the future of coal. We have copies of the Report here today or you can download an electronic copy on our website. I encourage all of you to read it.

This past year also has seen significant progress in building a more diverse and inclusive workforce. This is not only 'the right thing to do' but it also makes good business sense. A balanced and diverse workforce is key to our Company's transformation and our aspiration to be a world class transport business.

I am pleased our efforts are starting to make a difference and are also being acknowledged externally to the company. Aurizon was recognised by Engineers Australia, awarding us the 2015 winner of the 'Most Outstanding Company in Gender Diversity'. We were also recognised by the Australian Workplace Equality Index as a Bronze Tier employer for LGBTI Workplace Inclusion.

During the year we formed in the Company an internal Indigenous Reference Group – a diverse group of 14 employees who will guide Aurizon towards achieving sustainable employment for Aboriginal and Torres Strait Islander people. Part of their remit has been overseeing the Company's first Reconciliation Action Plan, which we'll soon be releasing.

Slide: Thank you

Aurizon employees have worked extremely hard over the past year to drive efficiencies, increase productivity and deliver to customers. As announced in August, the Company has awarded \$2,500 worth of Aurizon shares to each eligible permanent employee as recognition for this work.

I would like to thank our team right around the country for the continued focus and hard work, which I have no doubt will continue over the coming year. Thank you also to my leadership team for pioneering change and delivering on our commitments.

To our customers and business partners, as always we are most grateful for your support and custom.

Finally, and most importantly, thank you to the owners of Aurizon for your ongoing trust and loyalty in our Company.

Thank you, and I will now hand back to Tim.

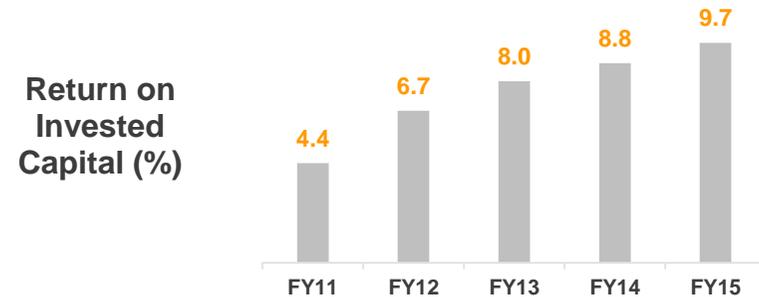
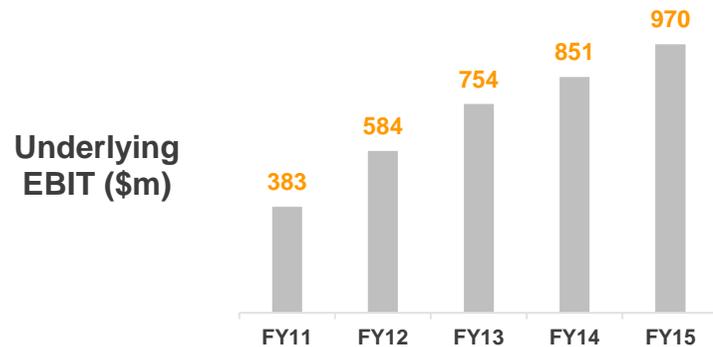
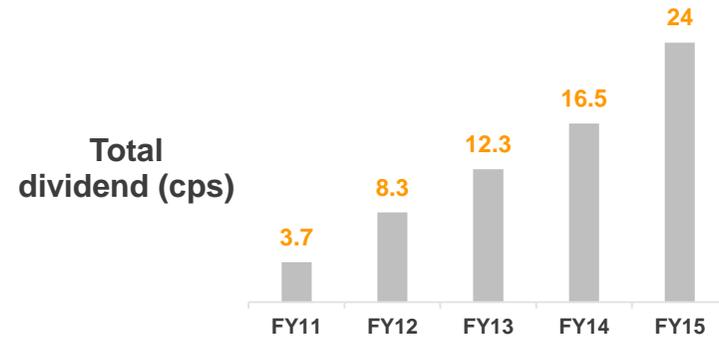
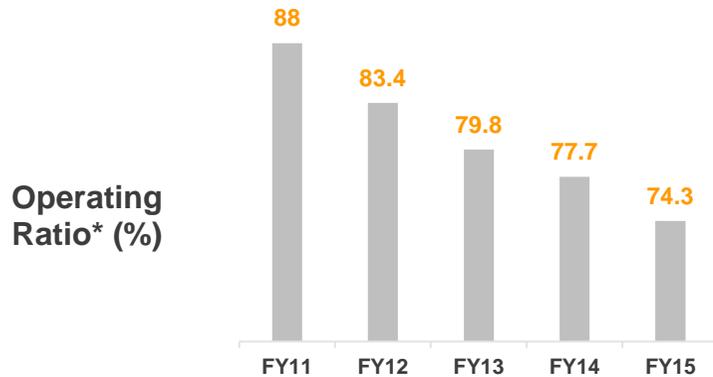
Annual General Meeting 2015.



Managing Director & CEO's Address

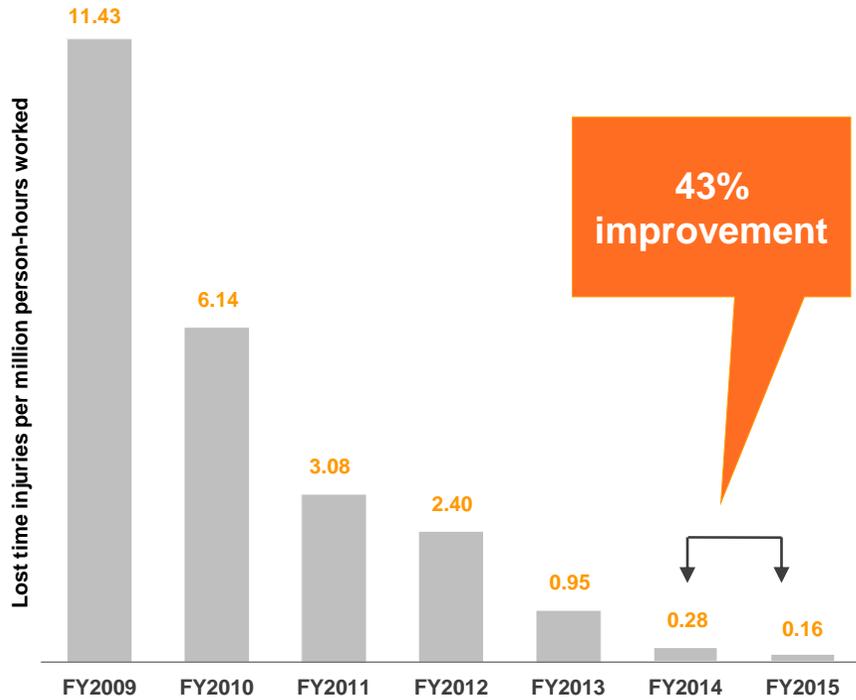


Continued strong financial performance

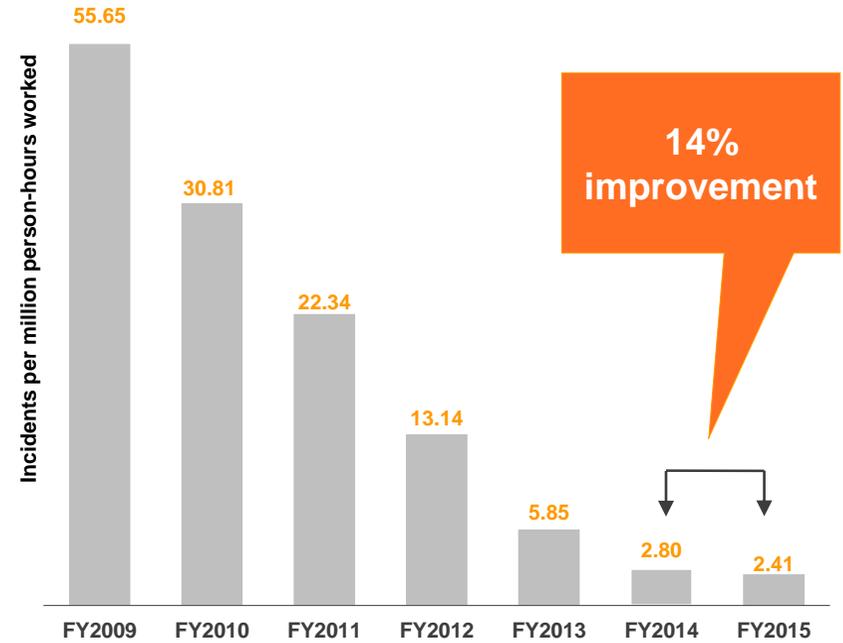


Safety performance, our target is ZERO Harm

Lost Time Injury Frequency Rate (LTIFR)*



Total Recordable Injury Frequency Rate (TRIFR)*



Transformation



SAFETY

- › **ZEROHarm** – core to everything we do



CONTINUOUS IMPROVEMENT

- › \$310-380m in savings targeted by FY18



TARGETS

- › 70% OR by FY18
- › 10.5% average ROIC FY16 – FY18



MACRO CONTEXT

- › Demand for Australia's high quality resources will continue



Growth



Hexham Train Support Facility, New South Wales

Sustainability



ORGANISATIONAL CAPABILITY
Building a capable and engaged workforce
 We successfully negotiated Enterprise Agreements for
~4,600
 of our employees

COMMUNITY ENGAGEMENT
Supporting regional communities
 We contributed
\$3.28 billion
 to Australia's regional economies

SAFETY
World-leading performance
 Our TRIFR improved
14%

ENVIRONMENTAL MANAGEMENT
Reducing our footprint
 We had a
5.8%
 reduction in our total Scope 1 and Scope 2 GHG emissions

Rail is a safe and efficient means of moving long haul freight, producing
75% less CO₂
 and
90% less accident costs than road

OPERATIONAL EFFICIENCY
Doing more with less
 Our opex per ntk reduced by
6%

CUSTOMER PARTNERSHIPS
We deliver
 We reopened the Blackwater System to customers within
36 hours of Cyclone Marcia

REGULATORY ENVIRONMENT
Driving efficiency of development
 We actively advocated on Australian infrastructure policy

BUSINESS MODEL
Building a resilient company
 We achieved an Operating Ratio of
74.3%
 and refreshed our Blueprint strategy

FUTURE OF COAL
Positioning for the long-term
 Our CQCN carried
more than half
 of global seaborne metallurgical coal

AURIZON FY2015 REVENUE
Metallurgical Coal
 38% of FY2015 revenue¹
Iron Ore
 9% of FY2015 revenue



In FY2015, Australia exported 188 mt of metallurgical coal – enough to make:

- 306 million cars
- OR
- 4,630 harbour bridges
- OR
- 68 thousand thirty floor apartment buildings

In FY2015, Australia exported 205 mt of thermal coal – enough to power:

- 100 million households for a year



Thank you

