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30 November 2010

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Deutsche Bank Transport Conference

I attach for release to the market a copy of QR National's presentation to the Deutsche Bank Transport Conference today.

Yours faithfully

A handwritten signature in black ink, appearing to read 'D. Smith'.

Dominic D Smith
SVP & Company Secretary



Deutsche Bank Conference Presentation

QR National: A newly listed company

Our focus and our opportunities

**Lance Hockridge
Managing Director & CEO**

November 2010



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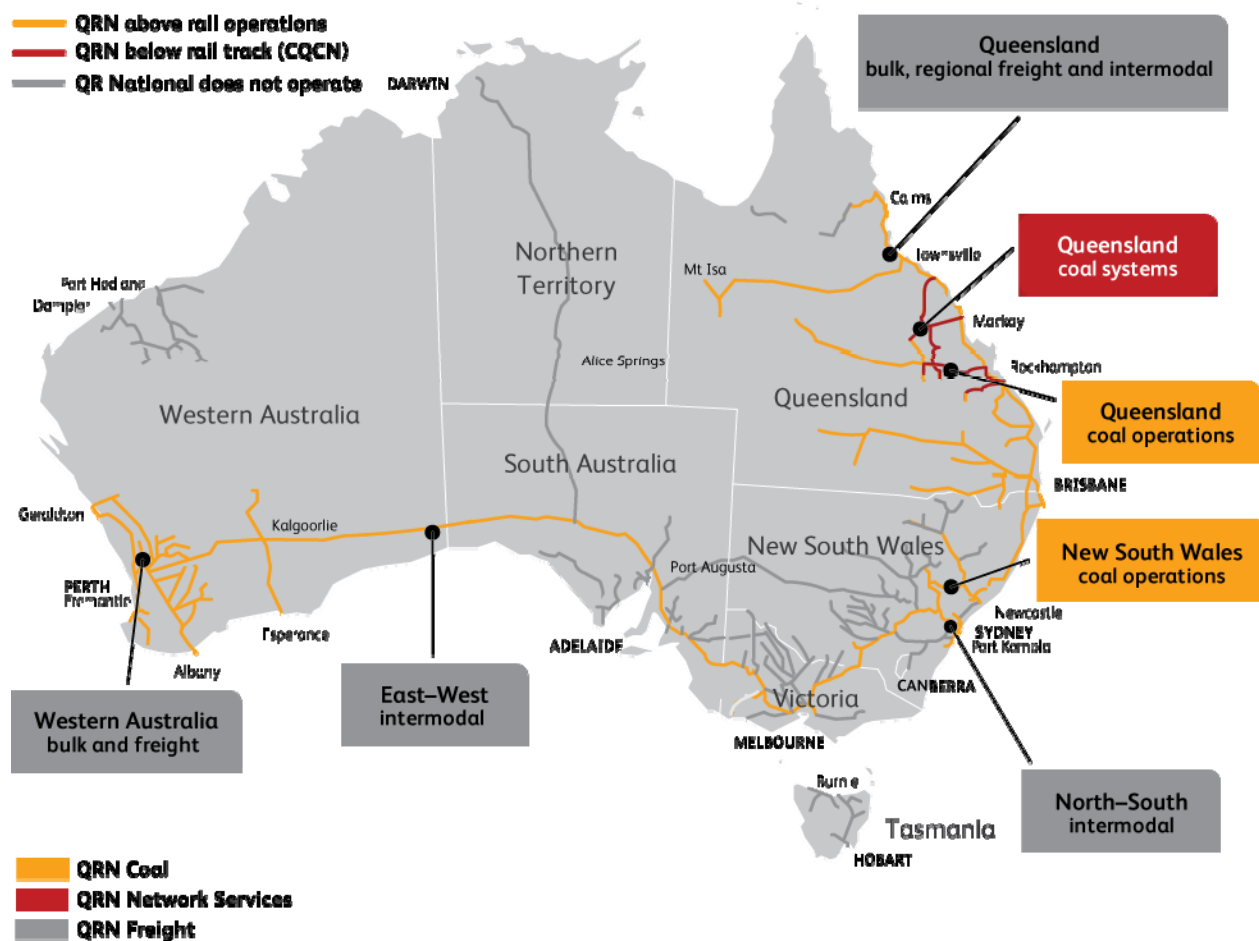
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**Australia's largest rail freight company
with 145 years of experience**

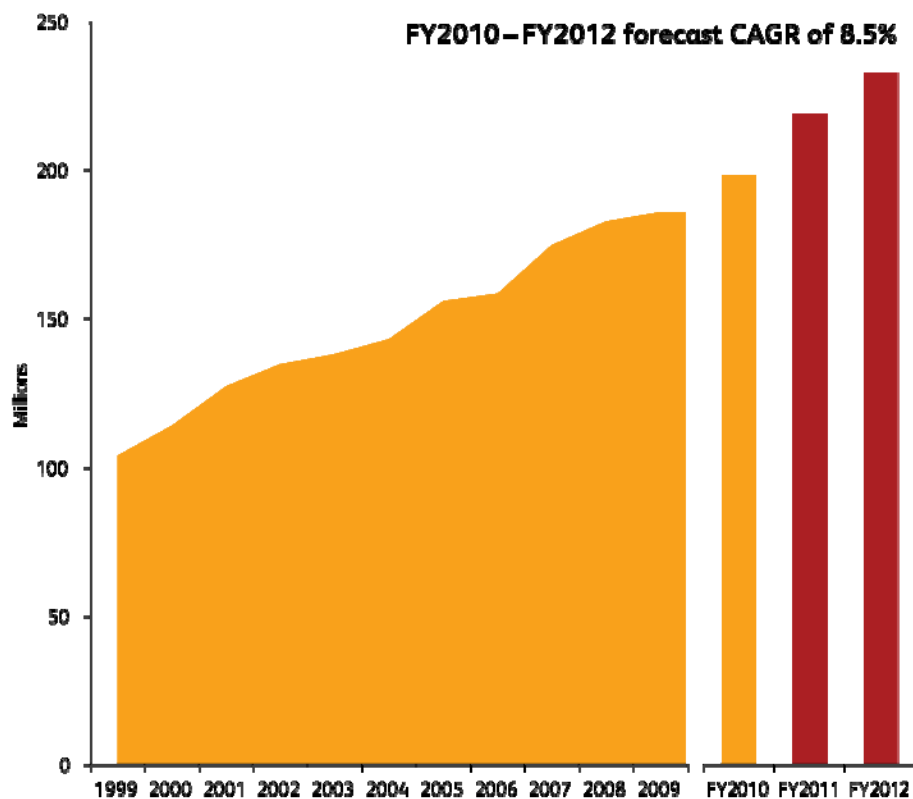
QR National is Australia's largest rail freight operator



Business Profile FY2010A	
Pro forma Revenue (\$bn)	2.9
Pro forma EBITDA (\$m)	628
Pro forma tangible Fixed Assets (\$bn)	7.9 ⁽¹⁾
Pro forma Net assets (\$bn)	6.8
Tonnes hauled	264mt
Track managed	2,300km
Employees	9,390

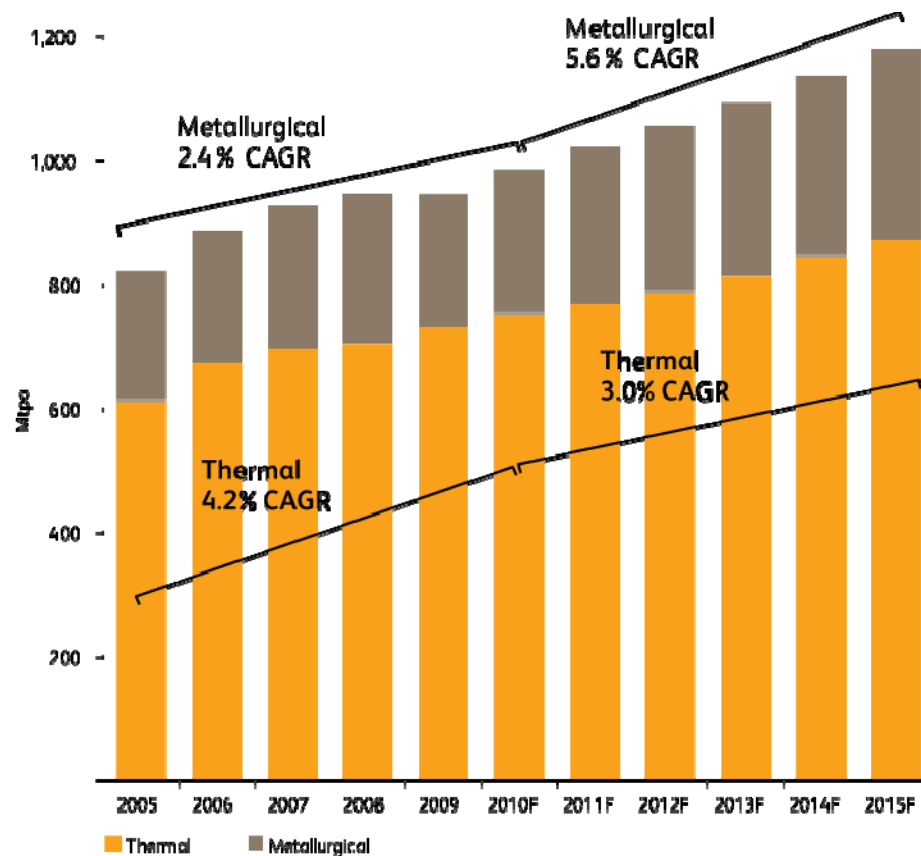
With exposure to strong demand growth in global coal markets 5

A track record of coal haulage growth



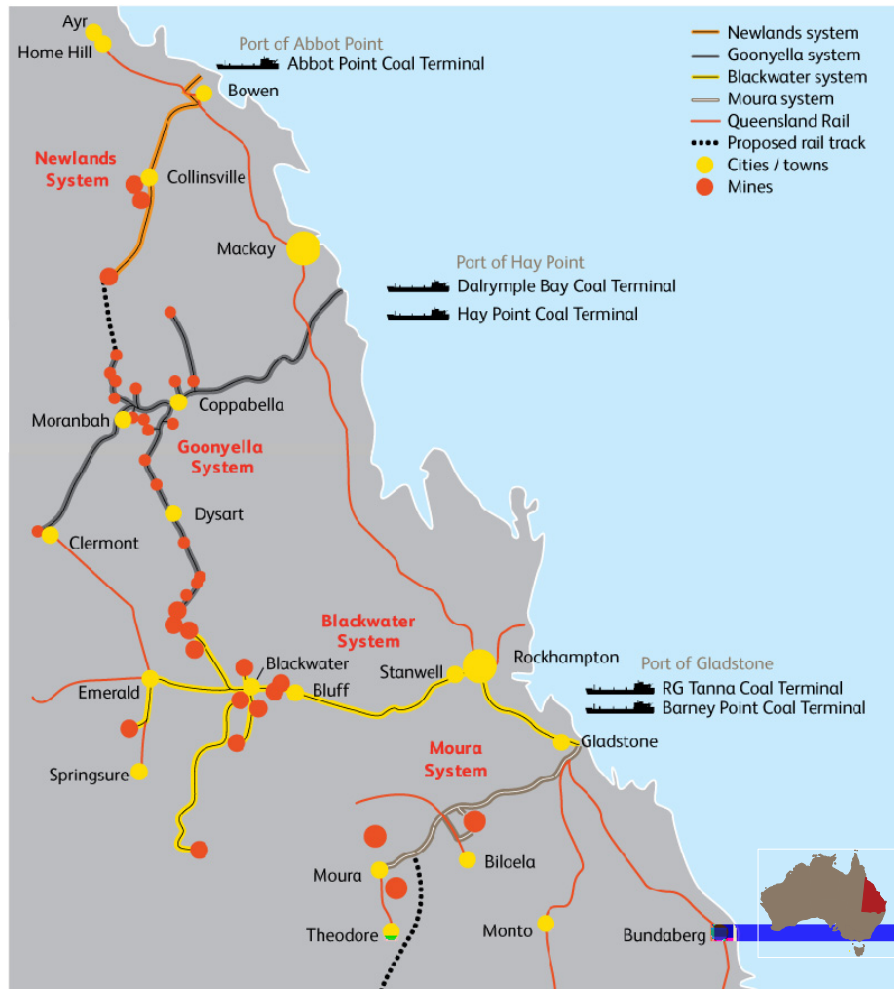
Note: Above data is calendar year data
 Source: Australian Commodities, ABARE, March 2010

Global coal import demand – 2005 to 2015



Source: Australian Commodities, ABARE, March 2010. The above data is calendar year data

QR National manages unique infrastructure in Australia's largest coal producing region



Network Regulation

- ▶ Regulated asset base (“RAB”) of \$3.6 billion as at 30 June 2010 with stable and low risk returns

- ▶ UT3 runs until 30 June 2013

- ▶ Network earns a regulated WACC of 9.96%

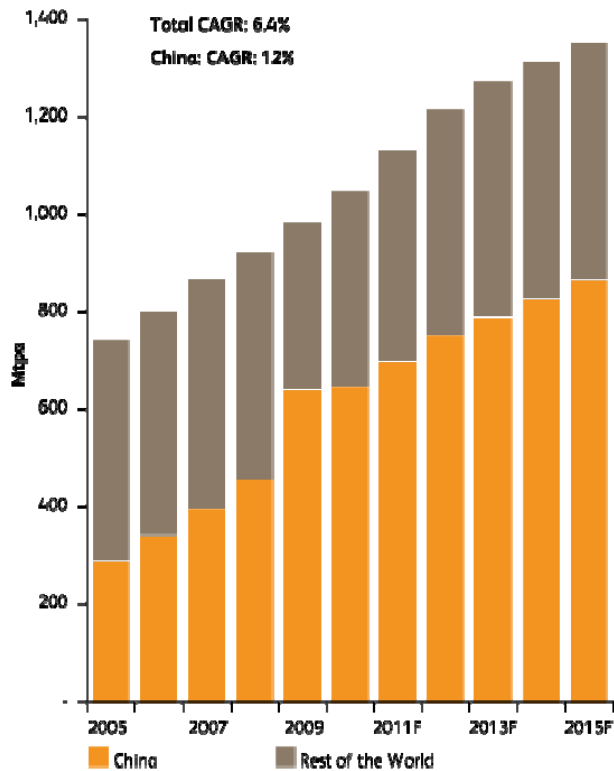
- ▶ GAPEX50 project at above regulated returns

- ▶ Regulatory mechanisms ensure maximum allowable revenue is earned with low volume risk to returns

- ▶ Revenue is determined by a building block approach on agreed volume forecasts with customers

The Company is positioned to take advantage of increasing global demand for Australian iron ore

Global iron ore imports – 2005 to 2015



Growth opportunities




(1) Currently not contestable

Iron Ore

- Iron ore demand is a key driver of expected future growth
- Heads of agreement with two key customers in the Mid West contestable iron ore markets in Western Australia for 14mtpa
- Planned expansions of existing iron ore contracts well advanced
- New locomotives ordered

Source: Australian Commodities, ABARE, March 2010
The above data is calendar year data



As an ASX listed company, our focus will be on performance and delivering shareholder value

Life as an ASX listed company will bring new opportunities

9

What will
change

- ▶ Removal of Government influence will help to drive **improved commercial outcomes**
- ▶ Greater freedom to **advance our transformation program**
- ▶ Greater scope to pursue **investment opportunities outside Queensland**
- ▶ More options available to us in **funding our capital program**
- ▶ Greater scope to incentivise and **reward employees for performance**
- ▶ Greater ability to drive real and **sustainable cultural change**

...and a new focus on delivering shareholder value

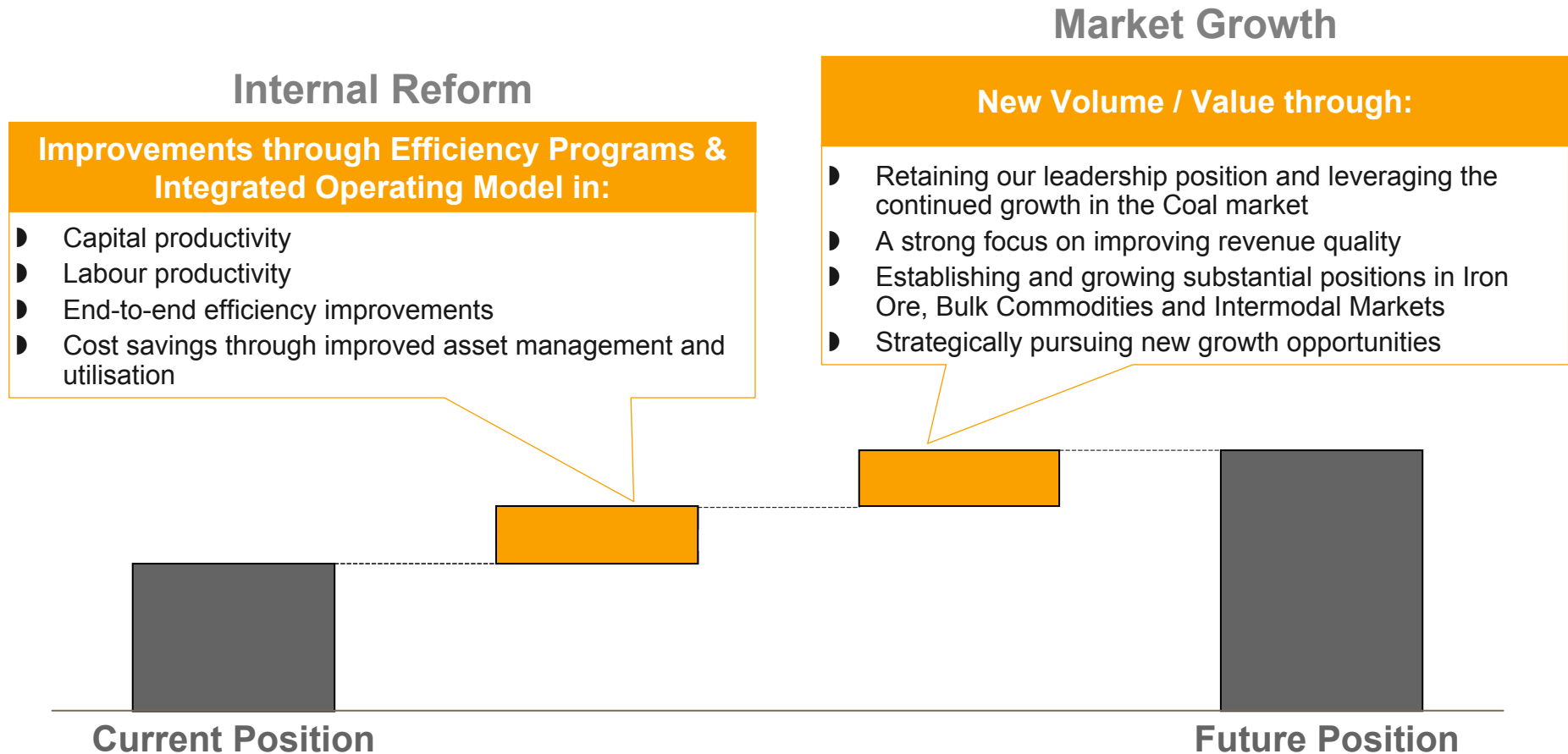
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Changes
and
enhance-
ments

- ▶ A primary **focus on commercial returns** and not be driven by market share
- ▶ A commercial focus on **relationships with customers** and improvement in operational performance
- ▶ **Close the performance gaps** with our global peers and **execute our transformation program**
- ▶ Maintain a focus on **capital management** and disciplines including prioritisation and allocation of capital and asset utilisation
- ▶ Facilitate a **stable industrial relations environment**
- ▶ Embed the concept of **growing shareholder value** throughout the organisation



We will create value through both internal reform and pursuing external growth opportunities



Source: QR National Strategy Program, 2010
Note: Table not drawn to scale and is illustrative only

QR National has a robust strategy for growth

5		Opportunities to diversify growth Options beyond coal to further grow our business	<ul style="list-style-type: none">▶ Pursue growth opportunities in contestable iron ore markets▶ Build a sustainable position in Intermodal▶ Strategically market services and maintenance capabilities externally
4		Coal system growth A pipeline of new opportunities	<ul style="list-style-type: none">▶ Commit to significant, commercial growth opportunities▶ Improve capital efficiency▶ Strengthen customer relationships
3		Return over life of asset view Using assets to deliver value	<ul style="list-style-type: none">▶ Focus on asset utilisation, availability and cost reduction▶ Improve returns on invested capital▶ Improve asset utilisation and lifecycle management
2		The right customers, markets and assets Establishing solid foundations	<ul style="list-style-type: none">▶ Improve service to customers▶ Focus on attractive bulk rail freight markets▶ Pursue cross business synergies
1		A performance-based culture Delivery focused Committed to people and safety	<ul style="list-style-type: none">▶ Develop strong and empowered leadership across the organisation▶ Create a performance culture, improve commercial capabilities and drive greater accountability▶ Embed a strong safety culture

Benchmarking has highlighted many commercialisation benefits

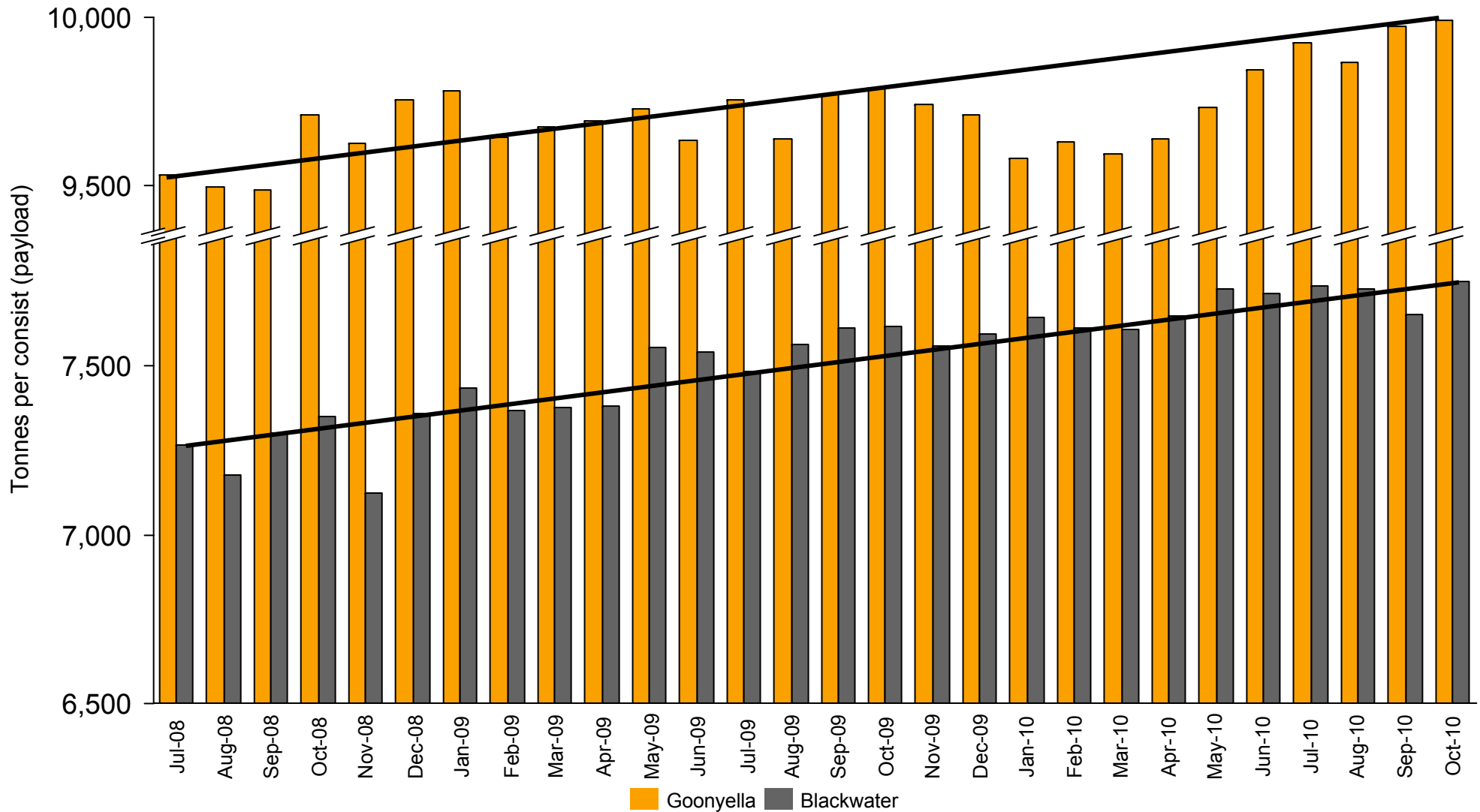
Operating metric	Performance category	QR National Group ⁽²⁾	Class 1 average ⁽¹⁾
Revenue / NTK (A\$/000 NTK)	Revenue yield	45	32
Labour Costs / Revenue	Cost efficiency	34%	26%
NTK/employee (MNTK)	Labour productivity	7	12
Opex ⁽³⁾ / NTK (A\$/000 NTK)	Cost efficiency	42	24
EBITDA Margin	Profitability	22%	37%
Operating Ratio ⁽⁴⁾	Profitability	93%	73%

Source: Public Company filings

All US\$ to A\$ conversions shown in this table for Class 1 rail operators are based on an average A\$/US\$ FX rate for the period 1 July 2009 – 30 June 2010 of 0.8825 (Source: IRESS closing price)

- (1) Union Pacific, Canadian National, Norfolk Southern, CSX Corp, Canadian Pacific, Kansas City Southern average (12 months to 31 December 2009)
- (2) 12 months to 30 June 2010
- (3) Opex defined as operating expense including depreciation and amortisation
- (4) Operating ratio defined as (1 - EBIT margin)

In Coal there is a focus on continuing operational improvement and enhanced financial performance



Note: Blackwater payload excludes Minerva

Record coal volume growth in all corridors during FY10A



- ▶ Record tonnes in Goonyella (2.2mt a week)
- ▶ Record tonnes in Blackwater (1.3mt a week)
- ▶ Record tonnes in Moura (0.35mt a week)
- ▶ Record tonnes in Newlands (0.41mt a week)
- ▶ Record tonnes in West Moreton (0.17mt a week)
- ▶ Record tonnes in Hunter Valley (0.44mt a week)
- ▶ Record tonnes across all systems (4.56mt a week)



An experienced Board and Management Team to lead the transformation



Summary and Questions