



RBS Morgans Annual Queensland Conference

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14th-16th September 2011



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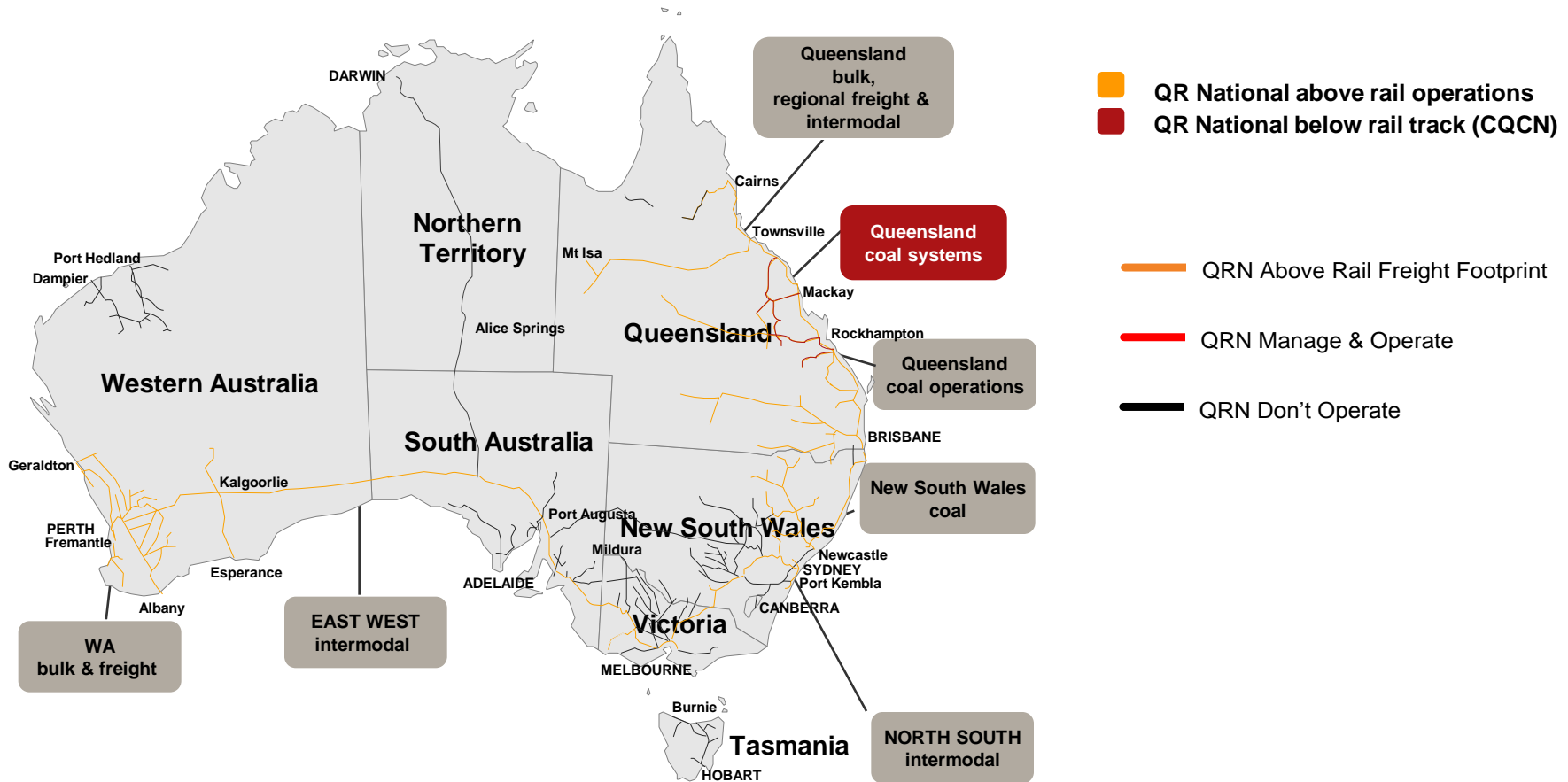
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QR NATIONAL'S FOOTPRINT



GOC to PUBLICLY LISTED

TRANSFORMATION

GROWTH

1. Achieve excellence in customer service



2. Establish an accountable, performance-based culture



3. Improve asset utilisation and return on capital



4. Leverage and expand our leadership position in coal



5. Pursue opportunities for growth and diversification.



Transformation

KEY ELEMENTS FOR TRANSFORMATION



Safety

- 50% reduction in LTIFR in FY11 - safety performance

Commercial outcomes

- Revenue quality uplift in coal

Customer service

- 29% QLD contracted coal volumes on new contracts in FY11

Performance

- Payload increases - Blackwater 5% and Goonyella 6% since February 2010

Cost reductions

- VR Program fully implemented - 660 people departed in FY11

Cultural change

- Workforce renewal with 390 new roles created in FY11 including executives, train drivers & operational roles

Up-skill workforce

- Recruitment of 167 graduates, apprentices and trainees in FY11

SAFETY LEAD INDICATOR FOR PERFORMANCE



Safety is QR National's core value and highest priority

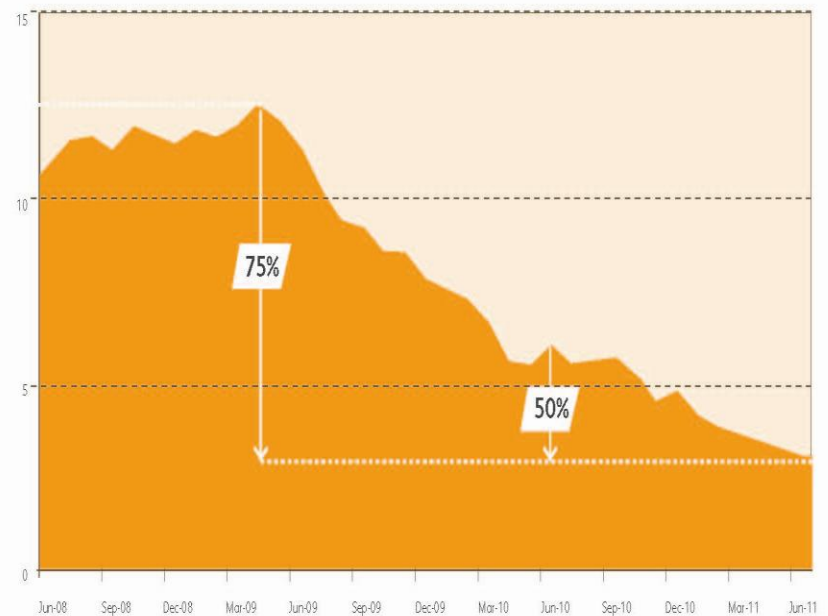
Good safety performance is good business

Improvements reflect changing culture and operating discipline

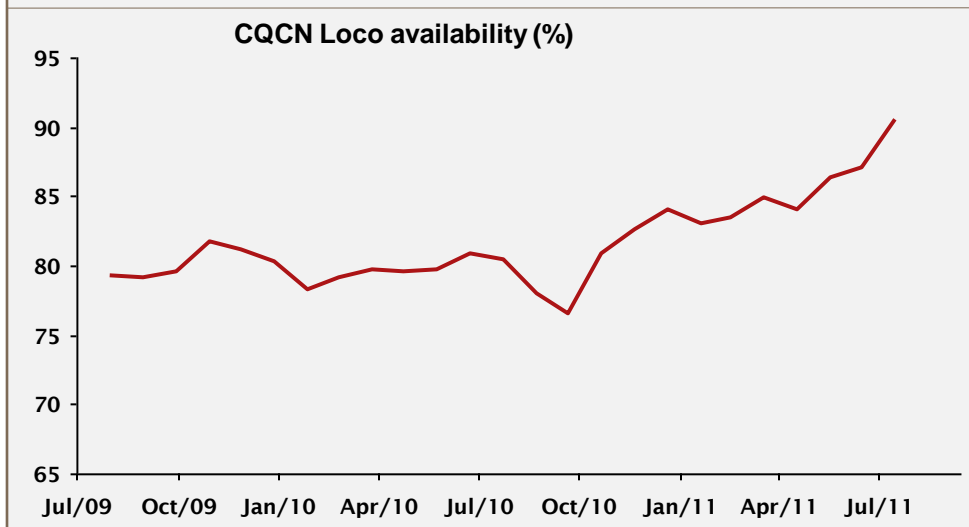
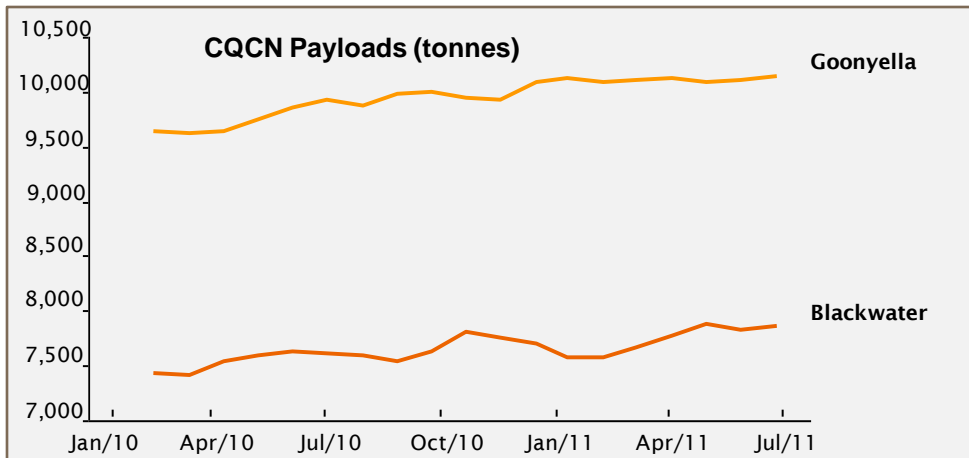
Achieved 50% improvement in LTIFR to 3.08

LOST TIME INJURY FREQUENCY RATE (LTIFR) PER MILLION HOURS WORKED

NB Historical data (30 June 2008 – 30 June 2010) is sourced from QR Limited up to separation on 30 June 2010, adjusted by removing Queensland Rail. It includes historical data for QRN Coal and QRN Freight and the portions of Network Services and Corporate areas allocated to QR National.



FOCUS ON PRODUCTIVITY & SERVICE



New operating model established in Capricornia and Goonyella Central Queensland coal systems

Payloads have increased 5% in Goonyella and 6% in Blackwater since February 2010

Improved alignment between above and below rail; planning, scheduling and day of operations

Improved coal loco availability to over 90% in August

FROM A LINE OF BUSINESS

TOWARDS A FUNCTIONAL MODEL

Rigid business unit silos

Integration and collaboration

Internal focus

Corporate focus on customers

Efficiency limitations

Driving further efficiencies

Impeding transformation effort

Facilitate QR National's transformation

Not best practice

Aligns with North American Class1 Railroads

Transitioning from Government owned corporation

Progressive and market focused listed company



Growth



GROWTH STRATEGY FY11 EXECUTION



Contract wins

- Coal contracts for 26mta
- Hunter Valley ~ 30% market share contracted in FY12
- Iron Ore contracts for ~30mtpa

Capital Investment

- 70 million tonnes of expansion under construction
- \$440m investment in new rollingstock
- Network investment of \$692m in new infrastructure

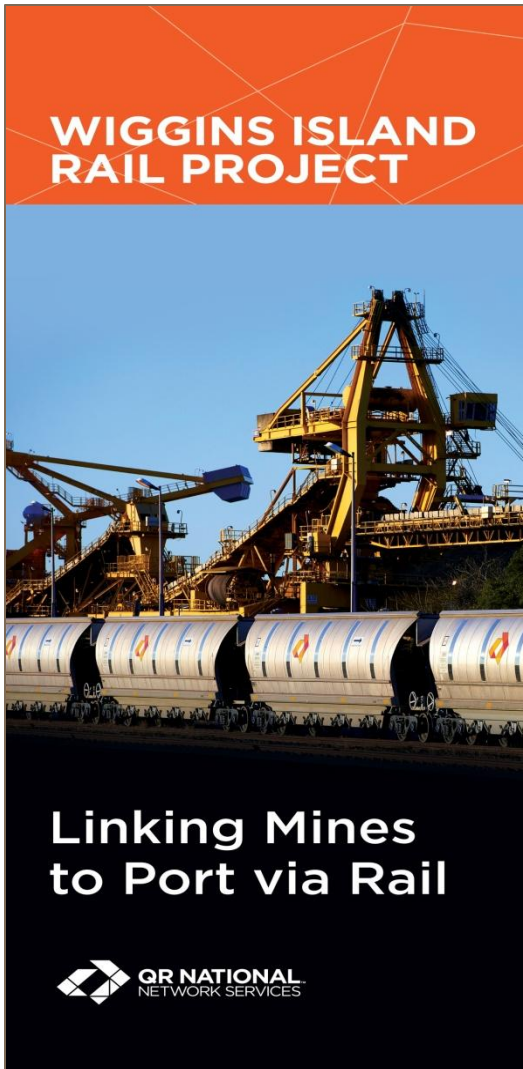
Revenue growth

- Freight revenue growth under TSC
- Services external contract - revenue uplift

Balance sheet

- Strong balance sheet to fund future growth

WIGGINS ISLAND RAIL PROJECT



One of the largest rail expansions in Australia with ~\$900m total investment

QR National will deliver a series of rail infrastructure projects to allow 27 mtpa of coal to be transported to WICET

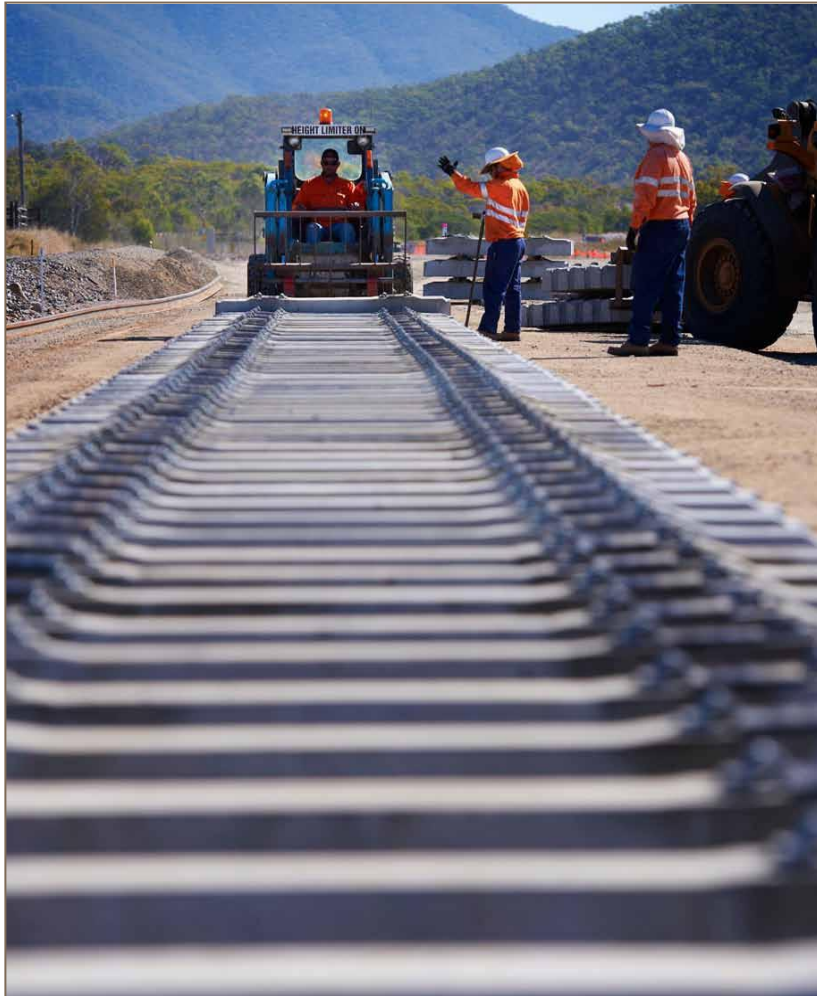
Represents a significant commitment to the future growth of the Queensland coal industry

Creating a vital link between the new Wiggins Island Coal Export Terminal (WICET) and mines in the Southern and Surat Basins

WICET is a new coal export terminal at the Port of Gladstone developed by a consortium of eight mining companies

First railings scheduled for mid-2014 with completion by March 2015

GAP – ON SCHEDULE & ON BUDGET



Increasing capacity through Goonyella and Newlands system to Port of Abbott Point by 33mta with railings commencing January 2012

Construction of the Northern missing Link – 74kms

A major upgrade and expansion of existing Newlands Coal System

Capacity enhancements within the Goonyella System – 50mta achieved by 2012

HUNTER VALLEY OUT-PERFORMANCE



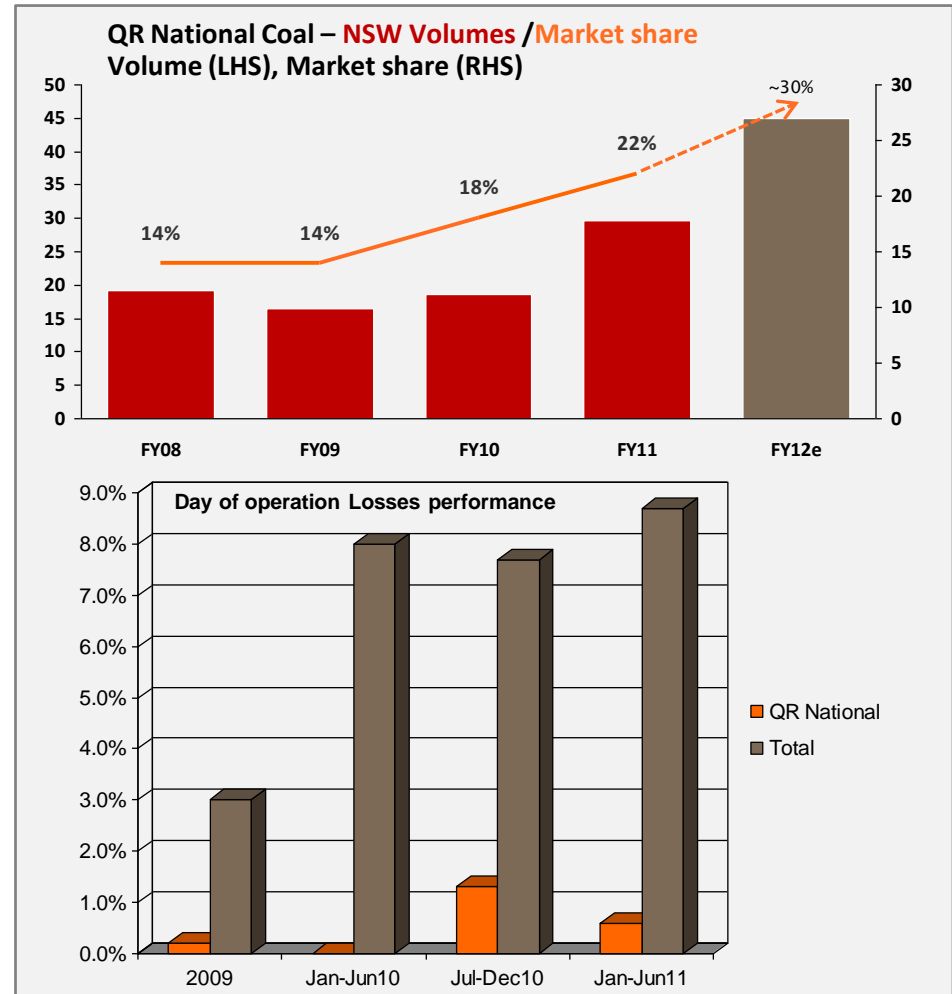
Effectively implementing strategy with cornerstone customers

Superior project management capability with contract conditions

58% increase in volumes railed in FY11

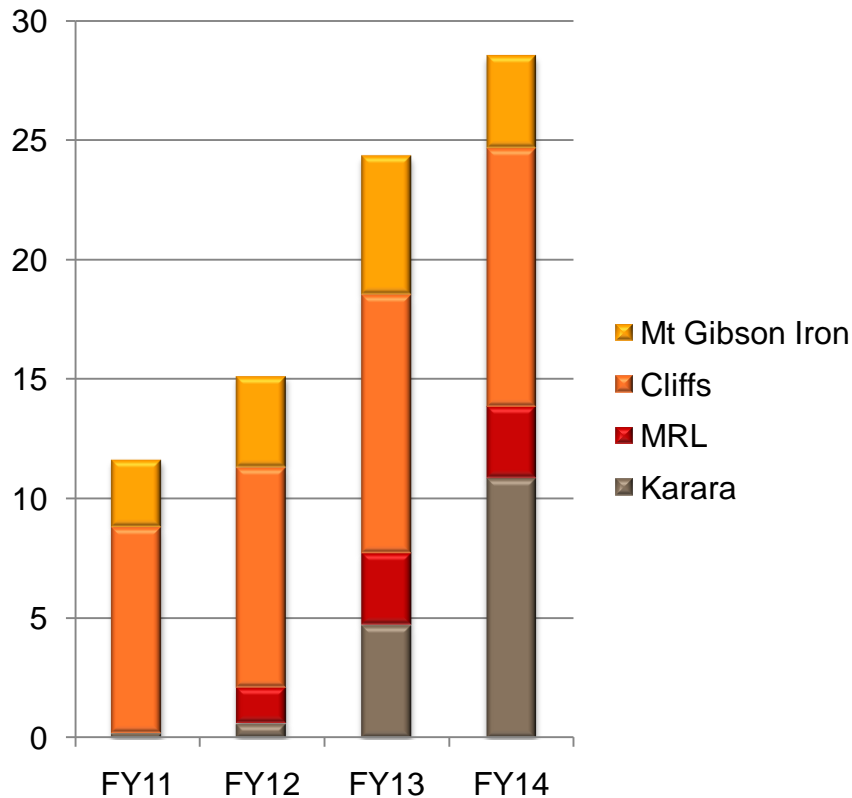
QR National's Day of Operation Losses have not exceeded 1.3% in the last 5 years

Outstanding safety performance with no lost time injuries in FY11 or for the past five years



Note: Day of operations losses is an HVVCCC calculation of QR National performance vs. daily plan and total participant loss vs. plan

IRON ORE GROWTH



Success in securing iron ore contracts in WA

New agreements will underpin volumes of 30mta

Improved reliability performance with Cliffs to >95%

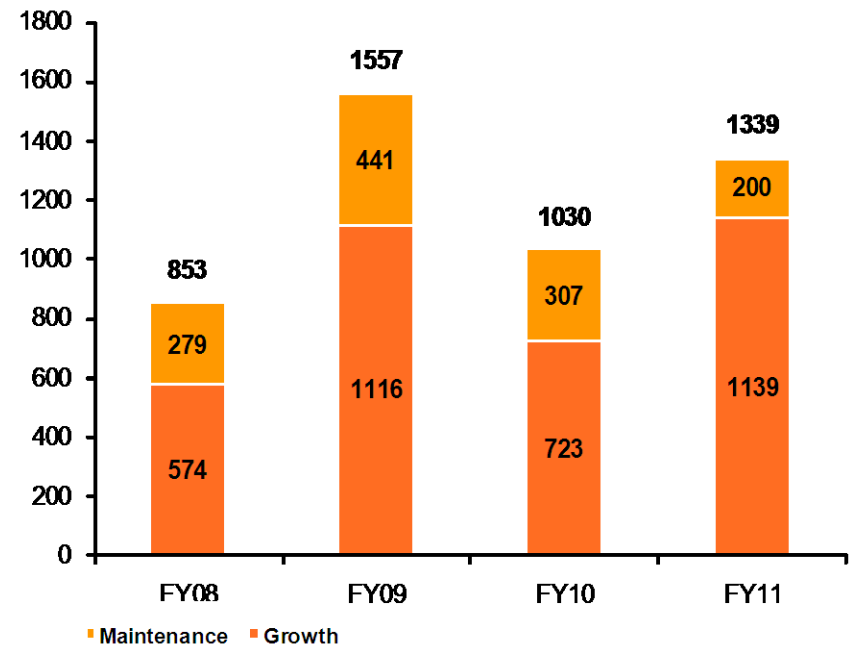
QR National is well positioned to pursue iron ore opportunities in WA as they emerge

CAPITAL INVESTMENT FY11



- Growth capital spend of \$3.5bn over the past 4 years to FY11
- FY11 breakdown:
 - GAPE \$460m
 - Blackwater \$86m
 - Other Network projects \$135m
 - New Coal rollingstock \$352m
 - Iron Ore \$105m
 - Other \$202m

QR National's capital expenditure* (\$m)



*Capex totals exclude capitalised interest for purpose of comparison to Offer Document only



2011 Financial Overview



\$3,294m^{+11%}
REVENUE EARNED FOR THE YEAR

\$813m^{+17%}
UNDERLYING EBITDA FOR THE YEAR*

\$367m^{+35%}
UNDERLYING EBIT FOR THE YEAR*

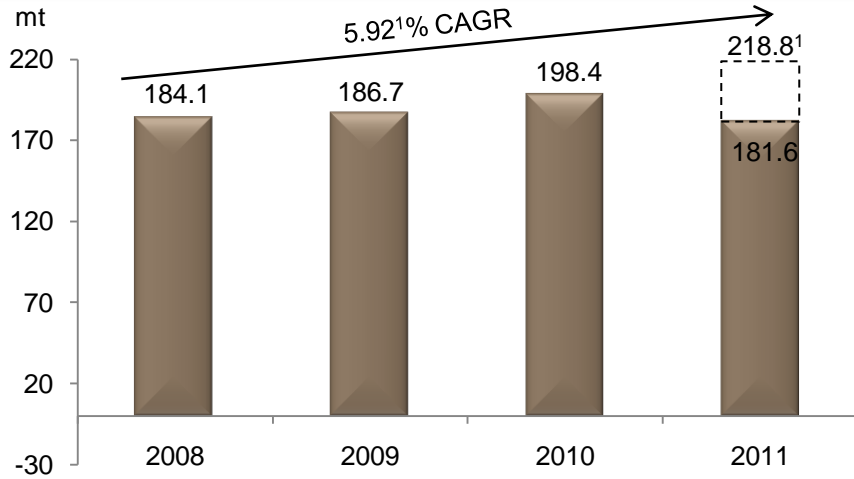
\$9,162m^{+7%}
TOTAL ASSETS AS AT 30 JUNE

* Underlying results differ from the Group's statutory results. Refer reconciliation to statutory earnings on page 129.

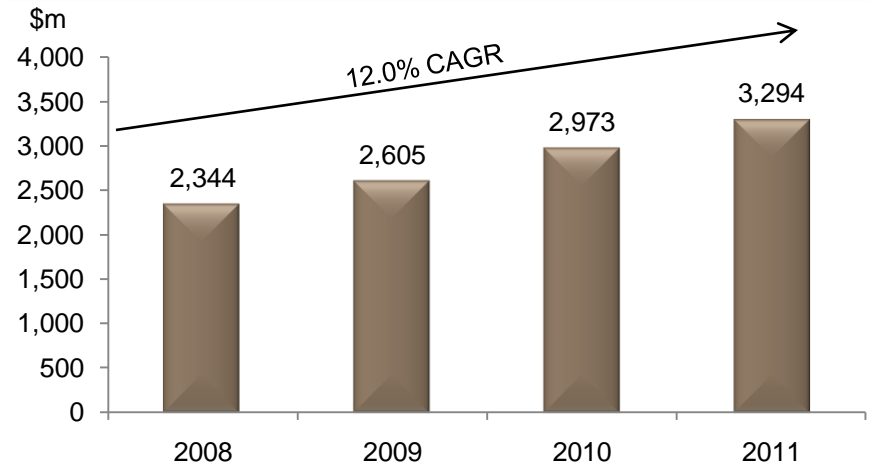
UPWARD TREND



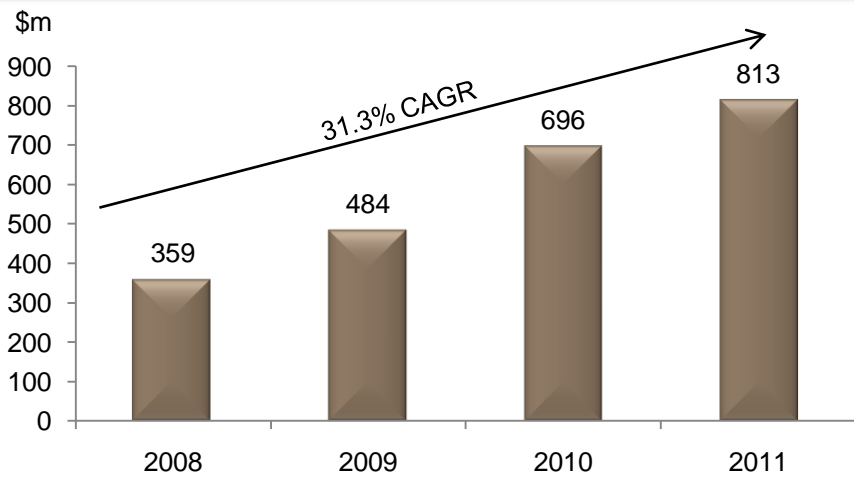
Coal Volumes



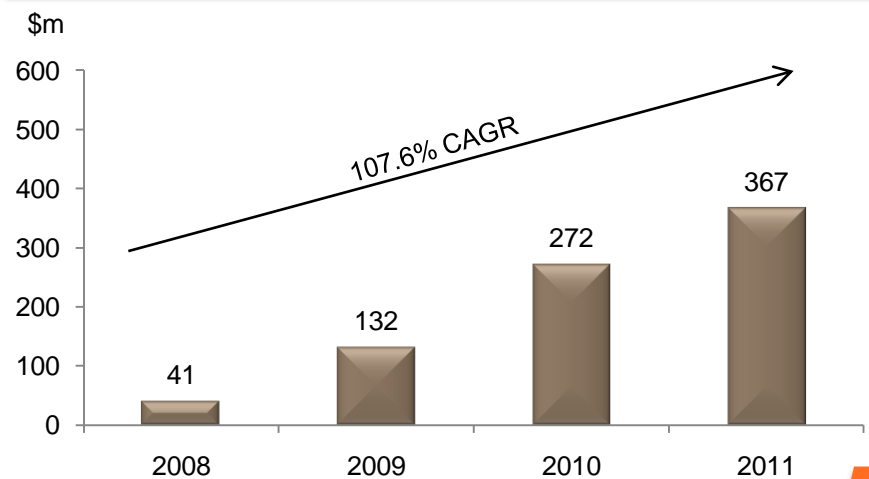
Revenue



Underlying EBITDA

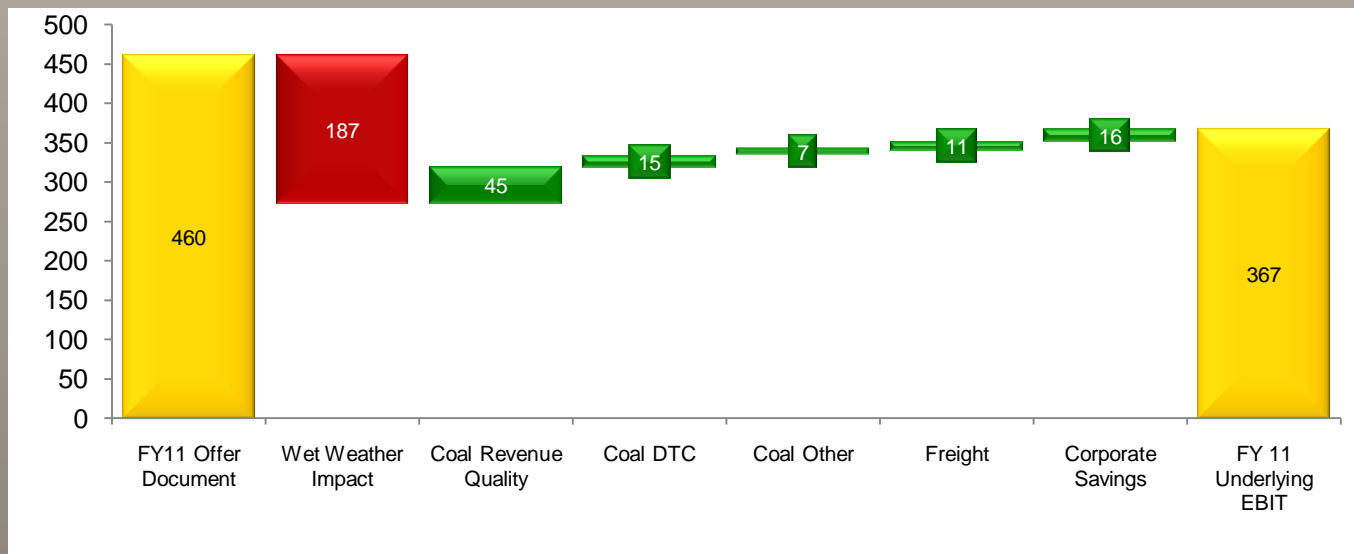


Underlying EBIT



1. Full year expectations without flood and cyclone

FLOOD AND CYCLONE IMPACT OFFSET BY TRANSFORMATION UPSIDE





Outlook

Downside risks

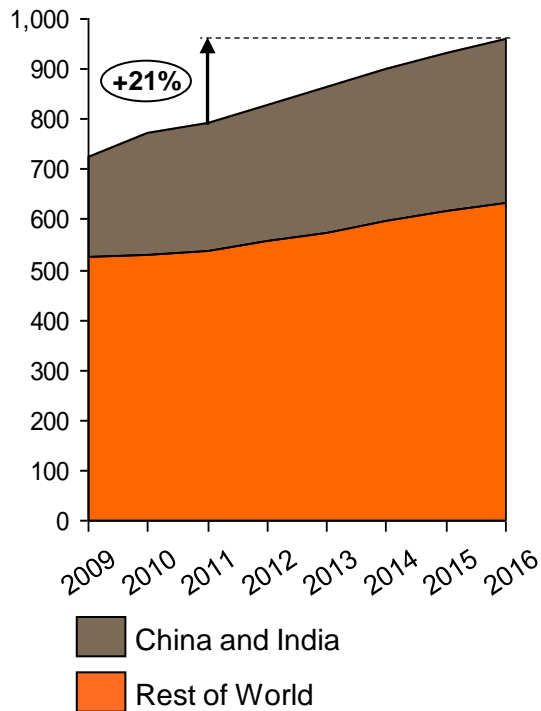
- Softer coal volumes in Queensland
- Lack of certainty on production and hence volumes
- Weather will be a significant swing factor

Upside opportunities

- Continued NSW coal growth
- Continued revenue quality uplift
- Ongoing gains from Transformation
- Capability to meet customer demand at full production

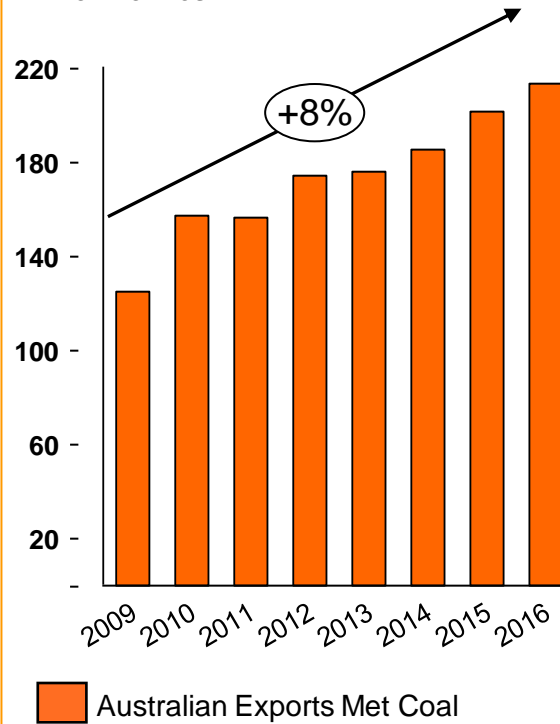
Thermal Coal

Global thermal coal imports
Million Tonnes



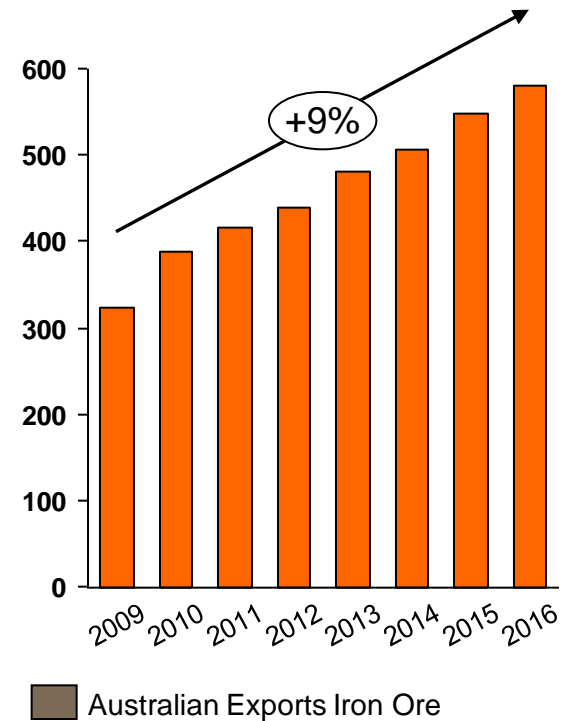
Metallurgical Coal

Australian Exports of Metallurgical Coal
Million Tonnes

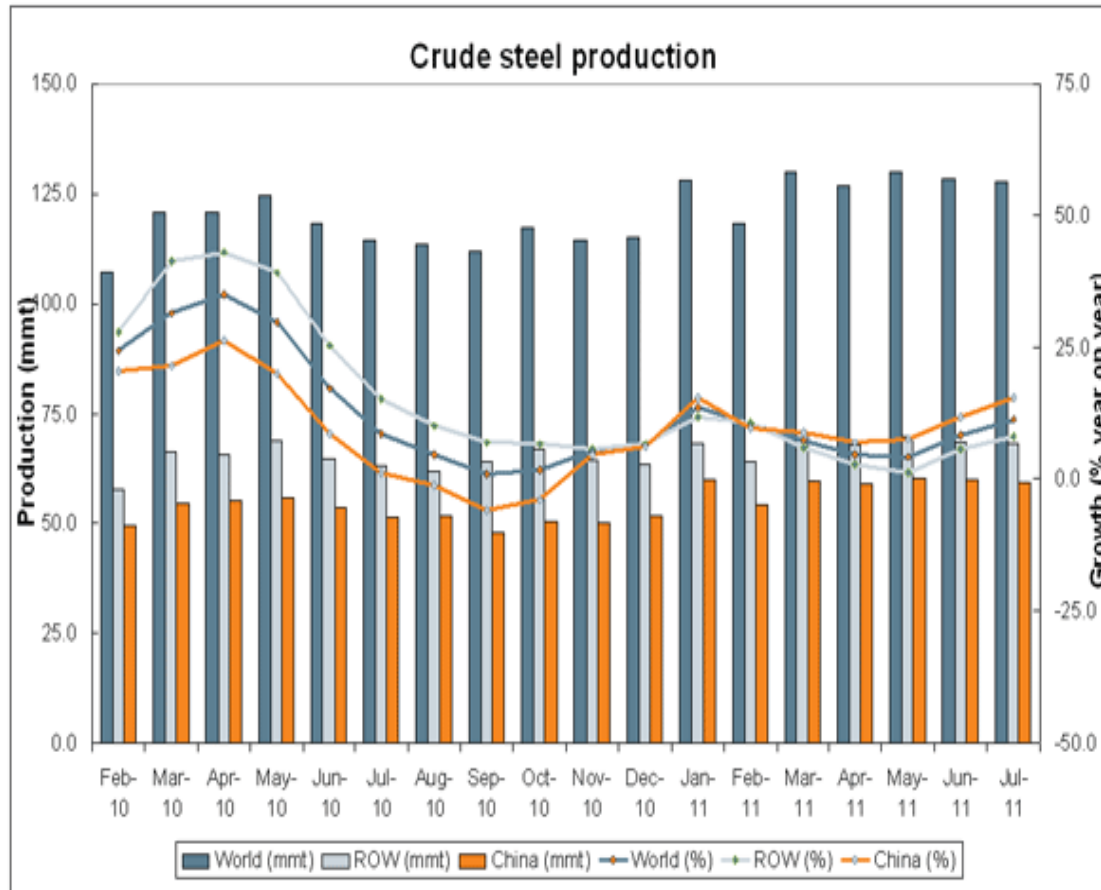


Iron Ore

Australian Exports of Iron Ore



POSITIVE EXPECTATIONS



World crude steel production was 127 million metric tons (mmt) in July 2011 - 11.5% higher than pcp.

China's crude steel production for July 2011 was 59.3 mmt, an increase of 15.5% compared to pcp.



Questions