Start of Transcript

Tim Poole: Well, good afternoon ladies and gentlemen. My name is Tim Poole and I'm your company's Chairman. On behalf of the Board, I would like to welcome you to Aurizon's 2017 Annual General Meeting. We're delighted you have taken the time to attend and thank you for your interest in and support of Aurizon. I would also like to welcome those shareholders who are listening in today on the webcast.

Before we start the meeting, I'd like to go through some general housekeeping information. First, can I ask that you pleasure ensure your mobile phones are switched off or turned to silent for the duration of the meeting. Also please do not use cameras, video or sound recorders during the meeting.

I'd now like to play a short video from the Sofitel Brisbane Central to explain the emergency and safety procedures for this venue.

[Video Playing]

The Company Secretary has confirmed that a quorum is present and accordingly I declare the Annual General Meeting open. The Notice of Meeting was mailed to all shareholders on 8 September 2017 and I'll take the Notice of Meeting as read.

I'd now like to outline the format of the meeting this afternoon. My introduction and address will be followed by an address from our Managing Director and CEO, Andrew Harding. We'll then turn to the business of the meeting, during which you will have an opportunity to ask questions relating to the business of the meeting.

I'd now like to introduce your Board of Directors and some of our senior executives. Seated on my far right, your left, are Kate Vidgen; next to Kate is Michael Fraser; next to Michael is Sam Lewis; next to Sam is our Company Secretary, Dominic Smith; next to Dominic is Andrew Harding, our Managing Director and Chief Executive Officer; next to Andrew is Russell Caplan; next to Russell is Karen Field and next to Karen is John Cooper.

Members of the company's Executive Committee, Andrew's group executives, are also present here today. Nadia Carlin of PricewaterhouseCoopers, the company's external auditor, is also in attendance today, and she is seated in front of me. Nadia will be available to answer questions regarding the conduct of the audit, of the company's annual financial report and the content and preparation of the audit report.

I will now turn to my meeting address. I would like to start by acknowledging the traditional owners of this land and pay my respects to the elders, both past, present and future. I also extend my respect to all Aboriginal and Torres Strait Islander people here today. This was, is and will always be the traditional lands of the Turrbal and Jagera people.

The past financial year was challenging for Aurizon. We suffered major operational and financial impacts from Cyclone Debbie and saw continued poor performance in our bulk and intermodal businesses. While Cyclone Debbie impacted our underlying EBIT results by $89 million, we expect to recover approximately $69 million of this lost revenue through the regulatory process over the next two years.

The underperformance of the intermodal and bulk businesses resulted in significant impairments and required us to make some tough but necessary decisions. One of these was our decision to exit our intermodal business. The harsh reality is that we cannot continue to sustain losses of more than $50 million a year when there is no clear pathway to profitability, the market is very competitive, our business is positioned poorly and requires significant capital investment.

The process for the sale of the Queensland intermodal business and the sale of the Acacia Ridge terminal is continuing and is subject to regulatory approval. All operational employees will transfer with these businesses to the new owners.

We are on track to close the interstate part of the intermodal business by the end of this calendar year. We understand the impacts of this closure on our affected employees and are redeploying and retraining those employees where possible.

The underperformance in our bulk business during the past financial year is clearly disappointing, but we remain committed to a business that sits well within our core capabilities. Under new leadership and a more focused business structure, we have a clear plan to return to profitability. However, it will take time.

A positive start to this turnaround is our new seven-year contract starting next month with Minerals and Metals Group Limited in North West Queensland. Aurizon will haul approximately 470,000 tons of zinc concentrate each year from Cloncurry to the Port of Townsville.

Turning to our other parts of our business, network and coal, both performed solidly, despite the cyclone impacting our operations. The Board was particularly impressed by the recovery effort from our employees which demonstrated our strength as a world class rail network operator. In financial year 2017 revenue in the network business increased by 7% to $1.3 billion, and only two months after the cyclone, in June this year we achieved an all-time monthly record, carrying 20.5 million tons of coal on our network. In the first quarter of this year we have carried 59.3 million tons of coal on our network, which is the highest quarterly result ever.

In our above rail coal haulage business, tonnages in Queensland were impacted by the cyclone but we still saw an increase in our total coal revenue. Today we released our above rail volumes for the September quarter. We recorded a 7% increase from the same period last year.

Our coal haulage in the Hunter Valley in New South Wales continues to provide solid growth with a 9% increase from the previous year. In July we started rail services for AGL Macquarie, which will increase our tonnages in the Hunter Valley by 9 million tons per annum.

The tonnages released today show our September quarter volumes in New South Wales were 15% higher than the same time last year, reflecting the start of our haulage for AGL and some expansion in volumes for Whitehaven.

In summary, the 2018 financial year has started well, with volumes tracking in accordance with our expectations. Our 2018-year financial guidance for above rail coal haulage remains at 215 to 225 million tons, and our financial year 2018 EBIT guidance remains at $900 to $960 million.

Globally market conditions for coal improved over the year as commodity prices improved. This is good news for our customers and for the many industry participants that service them, including Aurizon. Approximately 65% of our revenue relates to coal, with more than two-thirds of Australia's coal exports using our rail network or is carried on our trains.

But it's not just big business for us and our customers; it's big business to all Australians. Coal has helped sustain the longest period of economic growth in the nation's history and is our second-largest export industry, valued at more than $50 billion last year, and employing more than 30,000 Australians.

And of course, the coal industry pays its fair share of tax and royalties, which benefits all Australians by helping to fund community services and infrastructure such as hospitals, schools and roads.

Despite its significant contribution to the nation and to our quality of life, the role of coal to Australia's economy has been substantially undervalued. From our perspective, it is important to bring evidence-based data to this discussion. As a supply chain partner for the coal industry, our aim is to develop a sustainable business that delivers economic and community benefit. We are a company that exists in the real world where we all rely on reliable and cost-effective energy for our households and businesses and steel for our buildings, white goods and cars.

Australia is the largest exporter of metallurgical coal in the world and it accounts for around 70% of coal transported across our Central Queensland coal network. Metallurgical or coking coal is used to make steel, and there is no current viable substitute. Demand for Australia's high quality metallurgical coal continues in Asia and in the Indian subcontinent, spurred by economic growth and urbanisation. India, not China, is the largest importer of Australian metallurgical coal, importing 106 million tons in 2016.

The Federal Government's Office of the Chief Economist this month released the resources and energy quarterly. The report indicates that India's metallurgical coal demand is projected to increase sixfold to more than 600 million tons by 2035. Even if only a fraction of this forecast demand eventuates, it is still a great outcome for our customers, the Australian economy and all industry stakeholders, including Aurizon.

I will now move away from metallurgical coal to thermal coal, the coal that is the key input into coal-fired electricity and the one that occupies the most airtime in energy policy debate. Aurizon has been very transparent about its acceptance of climate change science and support for Paris Accord targets to limit global warming to two degrees. As a company, we accept the world is transitioning to renewable energy sources and that we will all have a role to play in reducing our carbon footprint.

According to the World Bank, more than one billion additional people will gain access to electricity by 2040, and an additional two billion people will double their current levels of per capita consumption. Most of this growth will occur on our doorstep in Asia and offers huge trade opportunities for Australia. No one can stop this growth in energy demand: these are people rightly aspiring to essential services and electricity that Australians have enjoyed for decades. The challenge is how to provide reliable and affordable energy and how to achieve a sensible transition to renewable energy in coming decades.

In this context, growth in thermal coal demand in percentage terms has slowed. However, thermal coal in absolute terms continues to dominate global power generation, accounting for more than 40%. Leading provider of information on commodity markets, S&P Global Platts, reports that 370 advanced technology coal-fired power stations are currently under construction in Asia alone, with hundreds more planned. Their data indicates 145 of the power stations being built right now are in China and 108 in India.

Where coal-fired generation continues to expand, it is important that the highest quality coal is used to reduce emissions. The coal Aurizon hauls has higher energy and lower ash content than most other sources of seaborne thermal coal. This coal, combined with using ultra-supercritical technology, can reduce greenhouse gas emissions by up to 50% compared to subcritical technology using lower quality coal.

Australia's high quality thermal coal contributes to one-third of Aurizon's revenue, and based on current and future demand, will continue to be part of the global energy mix for decades to come.

On a related note, the development of Queensland's Galilee Basin is an important growth opportunity for Australia's coal industry and one which Aurizon supports. For many years Aurizon has advocated the provision of open access railway infrastructure for miners and rail operators in the Galilee. We have not questioned the merits of development, nor the benefits of this coal in meeting global energy needs.

The question for us is why duplicate infrastructure when there is already an existing railway that can be utilised, and why would Australian taxpayers contemplate contributing up to $1 billion in loans for the duplication of infrastructure.

The proposal that Aurizon has put forward is to construct a 190-kilometre spur line into our existing network. It would cost at least $1 billion less to construct than the 380 kilometres of entirely new infrastructure under the Adani proposal. Building greenfield infrastructure when a world class expandable network sits adjacent is absurd and simply does not make sense.

Aurizon is a locally based company with a long history and demonstrated capability in heavy haulage rail operations and rail infrastructure development in Queensland. Duplicating infrastructure might be excusable should the existing network be failing the industry, but the reality is the Central Queensland coal network is performing very well. It is safer, more efficient and has more capacity than at any time in its 50-year history.

Since financial year 2011, the time of our listing on the ASX, coal volumes across the network have increased by more than 25% to 210 million tons in financial year 2017. We have built and upgraded more than $2 billion in rail infrastructure to support Queensland's strong and vibrant coal industry, all funded commercially and built on time and on budget.

Three highly competitive rail haulage operators use this open access network, providing customers with choice and security of supply. Contrast this to pre-privatisation days when Queensland taxpayers were effectively underwriting the expansion of coal infrastructure in Queensland and funding coal trains in New South Wales and grain trains in Western Australia.

I can assure you the Government-owned freight business was not using the funding or running the operations efficiently. Large investments were yielding very slim dividends for Government. Customer service and safety performance was poor. All the evidence points to below-par performance by Government-owned businesses in competitive markets, and yet many in our community and Government have seemingly lost any appetite for such change.

Each time a company like Aurizon makes significant change to its business, the conversation swings back to the perils of privatisation. There is a misguided view that if only Aurizon was still owned by Government, business would be booming and no jobs would be lost.

Aurizon's decision in June to close the Rockhampton workshops, affecting 180 employees, reignited this discussion. We do understand the strength of community sentiment. We absolutely acknowledge the impact on our employees, their families and the Rockhampton community. It was another tough and very difficult decision for the company this year.

But here was a facility built in another era, more than a century ago, that has been superseded by new technology and maintenance practices. Our competitors have no need for this type of facility. Aurizon must continually improve to better serve its customers and to compete effectively in highly contested markets. Our customers do have choice in which company's trains carry their products. Contracts readily change based on service, safety and price. For Aurizon it's quite simple: it's a case of improve or perish. It does not matter who owns the business, but rather how it performs.

Across all metrics Aurizon is now a far safer, leaner and more productive company than seven years ago. We are delivering more tons with fewer trains; labour productivity has almost doubled and safety performance has improved tenfold. And yet we must get better year after year. We simply can't stand still while competitors modernise and adapt. We have retained strong market share because of the transformational changes we have made since privatisation.

In our view, that could never have been achieved in Government hands unless taxpayers were prepared to commit billions more in subsidising inefficiency at the expense of funds for essential services such as health and education.

Aurizon is committed to creating a strong business and a sustainable business that creates certainty for our employees, our customers, our communities and our shareholders. Sometimes this means making difficult decisions, but decisions that are necessary if we are to remain in business for the long term.

In closing today, I'd like to acknowledge our new Managing Director and CEO, Andrew Harding, and his renewed senior leadership team. Whilst it has been a challenging start, the Board is confident that in the coming years we will see great improvement as the company focuses on its core strengths.

To our employees across the organisation, we recognise that we operate in markets that constantly change and that are highly competitive. On behalf of the Board, I thank you for your patience and dedication as we have worked through significant change this year.

Without our customers we would not have a business, so I acknowledge and thank our long-term partners and also our customers who are new to our operations. We certainly look forward to continuing to provide you with safe, efficient and reliable services.

To the communities where we operate, you are an integral part of our business. With more than 70% of our workforce located in regional areas, your community is our community too.

And finally on behalf of the Board, thank you to you, our shareholders, for your continued support in our business.

I'll now hand over to Andrew Harding to give his first AGM presentation as Managing Director.

Andrew Harding: Thank you Tim and good afternoon ladies and gentlemen. I'm pleased to be here today at my first Annual General Meeting for Aurizon. As the Chairman indicated, it's been a challenging time over the last year, and I thank you for your continued support as we turn those challenges into opportunities for the future.

This afternoon I want to share with you some of the changes we've made since I started so that we can return to the fundamental strengths of our core business and unlock value for you as shareholders.

When I first arrived at Aurizon I was impressed by the company's commitment to safety and the improvements that have been made over recent years. Safety remains core to our business. While our safety performance has been generally better than our class one railroad peers in North America, we want to set the bar higher.

Starting this year, we have changed the way we record and report our total recordable injuries. Reporting will be in line with internally recognised standards and practices and we will benchmark ourselves against leading organisations outside the rail sector, such as mining. While it will be harder for us to improve our metrics, it will help continue to drive and stretch our safety performance, which is the core of everything we do.

Since starting in December, it was clear to me that the company had great strengths in its core businesses and the opportunity for genuine and sustained transformation, yet I believe we were falling short of shareholder and customer expectations. I was confident that with some right decisions and disciplined execution we could create sustained improvements and unlock value for shareholders. I shared my vision and thoughts with the Board and with their support we undertook several changes.

From 1 July we implemented a new organisational structure designed along the core areas of the business, network, coal, bulk and intermodal, as well as general support and planning functions.

The new business unit structure is supported by a renewed executive leadership team who have greater accountability for our core businesses and I have very high expectations of them. These are leaders who bring deep commercial and operational experience to the executive team, together with fresh perspective, a blend of talent promoted from within the company and others recruited externally for their specific industry expertise.

With a simpler structure, stronger accountability and taking leaders and decision making to regional areas, we will improve our business and deliver better customer outcomes.

The Chairman spoke to the outcomes from the year-long freight review, which will see us exit our intermodal business. It was a legacy business, negatively impacting shareholder value and long overdue for review.

While it's a very difficult decision for affected employees, exiting will allow the company to concentrate on core profitable parts of our portfolio. We are cascading rolling stock, recycling capital and redeploying train crew from intermodal into our growing Hunter Valley coal business. Already we are transferring one set of locomotives to our coal business that are no longer required in intermodal.

Our bulk business is on a turnaround plan which realistically will take three years. As part of the freight review, we conducted a line by line review of each of our bulk contracts. The decision was made to either retain the contract if it was commercially viable, transform the contract if it showed promise of better returns, or exit it if the contract offered no possible reform. As an example, we have exited haulage contracts with Wilmar Sugar and GrainCorp in North Queensland because they were not commercially viable for Aurizon.

Under the leadership of group executive Clay McDonald, the bulk business is divided into four regions, with general managers in each region, to enhance accountability and increase the focus on improved customer service and commercial delivery.

Now turning to transformation. We have continued to see improvements in our transformation program, with $129 million of benefits delivered in the financial year 2017. These benefits were achieved through ongoing labour and fleet productivity in our operations, including the reduction of approximately 140 management positions as we removed a management layer.

At a corporate level, we also reduced management positions and continued to reduce discretionary and consultancy spend. To prioritise and optimise spend on capital projects and consultants we've enhanced the financial governance organisation wide.

We remain on track to achieve our $380 million three-year target in financial year 2018, noting that the intermodal divestment will in itself remove more than $50 million of losses.

We've also expanded the scope of the transformation program to include capital allocation, revenue generation and the network business, so we maintain momentum with transformation beyond the financial year 2018. Transformation doesn't end there of course. This company will pursue continuous improvement year after year across all dimensions of operational and financial performance, customer service and safety.

We have a proud history of changing to meet the needs of our customers and we are confident in the capability and flexibility of our people to take us to the next level of performance. We are committed to building a sustainable business, a business that is future focused and allows us to be better prepared for disruptive trends and unforeseen events.

Our preparedness and response to Cyclone Debbie earlier this year demonstrated the resilience of our network business, and we worked with supply chain stakeholders to ensure the best recovery possible.

To support quicker recovery times and to further enhance our resilience, we are applying the learnings from Cyclone Debbie to continuously improve our information, planning and customer communication systems during extreme weather events. We're also rolling out more remote weather and track monitoring stations to provide real time weather and track conditions.

Like the companies we haul for, we operate in a competitive environment. With coal contributing to 65% of our revenue, our success is linked to the continued demand and competitiveness of Australian coal, which the Chairman spoke about in his address.

To support our strategic planning and to ensure we are future proofing our business, we undertake thorough scenario analysis that informs our long-term outlook for seaborne coal demand. Our sustainability report, which was released last week, looks at various scenarios, including those related to climate change, and discusses how they would impact Aurizon's resilience.

If you haven't had a chance to read our sustainability report yet, I encourage you to do so. I am proud that we have proactively led the way on our sustainability reporting, with the objective of increasing transparency to our key stakeholders and shareholders.

As our business continues to change and adapt to the competitive markets in which we operate, we remain a significant employer in regional communities. In fact, more than 70% of our workforce lives in regional and remote areas. As a company, we aim to build sustainable positive relationships and legacies in the communities where we operate and where people live and work.

Our biggest footprint is in regional Queensland where we employ more than 3000 people who support our above rail operations and the running of the Central Queensland coal network.

In preparing our 2017 sustainability report, we wanted to better understand how we were contributing to regional Queensland, so we commissioned Ernst & Young to update their 2015 report on economic contribution analysis, which provided us with some key insights.

The analysis showed that we contribute more than 6100 direct and indirect jobs and more than $2 billion of output for Queensland's regional economy, a not insignificant contribution.

In light of the decision to close the Rockhampton maintenance workshops, we also asked Ernst & Young to focus on our impact on the Rockhampton region over the period from

2015 through to 2019. Their analysis took into account historical and planned changes in our operations and showed that in the 2019 financial year Aurizon will still contribute more than $400 million to the Rockhampton economy each year.

We believe in our people being close to our operations and our customers, and we've started a process of relocating roles from Brisbane and other metropolitan areas to be closer to our frontline operations. In addition, our coal and bulk group executives have also relocated to regional areas, Macquarie and Perth, to enhance the focus and accountability of their respective businesses. This is already having a positive impact across our employees, our customers and our communities.

We also support local community groups through our community giving fund, which is a cash grant program for charities and not for profit community groups. Since its inception in 2011, we've proudly supported more than 280 worthwhile projects for charities and not for profits in the communities where we operate. To know that we are helping deliver positive outcomes in the areas of community safety, health and wellbeing, education and the environment is important to all of us at Aurizon.

In April we also introduced a special round of the community giving fund to help communities that were devastated by Cyclone Debbie to rebuild and recover.

While it's been a challenging start, it's not been without opportunities. I accepted this role knowing that there was untapped potential in Aurizon and that we would have the opportunity to make some tough and swift decisions to take its performance to the next level.

I've also made my commitment very clear that we would seek opportunities to return capital to shareholders. As part of this, we announced an on-market share buyback of up to $300 million in August which would be implemented over the next 12 months. To date we've bought back more than $140 million of shares.

In looking at commodity markets going forward, the uplift in commodity prices this year has been very good news for our customers. As our Chairman discussed in his address, the demand for high quality Australian commodities will help support our business into the future, and we remain committed and focused on getting our customers' products to export safely and reliably.

In closing today, I'd like to thank the Chairman and the Board for their support over the past 10 months. I appreciate the sound counsel they have provided as changes have been made and implemented. I would like to thank my leadership team; I appreciate the work they've done to support the major reforms of the business. With greater accountability, I'm confident that they will drive better outcomes for their customers, our employees and you, our shareholders.

I particularly would like to thank all our employees across the country for their ongoing hard work and commitment. Our people are fundamental to the strength and resilience of the business.

As I've travelled round our operations, I've been impressed by the quality of our employees and their energy and enthusiasm to improve the business. I acknowledge the significant changes they've experienced this year and their continuing commitment to deliver for our customers each and every day.

And finally to our customers and shareholders, I thank you for your ongoing loyalty to the company and your support. I'm looking forward to leading Aurizon into its next phase, delivering for our customers and generating improved returns for our shareholders. I will now hand back to Tim.

Tim Poole: Thanks Andrew. Ladies and gentlemen, we now come to the formal business of the meeting. There are a number of procedural matters which I would like to draw your attention to. As this is a shareholders' meeting, only shareholders, their returnees, proxies and authorised representatives are entitled to speak or vote at this meeting. Each item will be discussed in turn and members will have the opportunity to ask questions on that item of business.

I'd be grateful if you could please save your questions on individual items until we reach that specific item of business. As indicated in the Notice of Meeting, and in order to ensure that the views of all shareholders are taken into account today, all items of business before the meeting where a vote is required will be determined by way of a poll. All eligible shareholders and proxyholders will have been issued blue voting cards on entering the meeting today.

If you are both a shareholder and a proxyholder, it is important you complete two voting cards, one in your own right and the second as a proxy. All eligible non-voting shareholders will have been issued red voting cards on entering the meeting. Proxyholders should note that all directed votes received thus far have been accumulated and recorded. Proxyholders with open votes are asked to record a vote in favour of or against a resolution. If proxyholders want to vote percentages of their vote in different ways, you will need to specify the relevant percentages on the voting card, and of course the sum of the votes cast cannot exceed 100%.

Following questions on each of the resolutions, details of the proxies received by the company from shareholders will be displayed on the screens behind me. Subject to the voting exclusions detailed in the Notice of Meeting for items 3a, b and c and 4 and 5, and the shareholder having marked the appropriate box, any open proxies will be voted in favour of each resolution.

As mentioned earlier, all items of business before the meeting where a vote is required will be determined by way of a poll. In respect to conducting the poll, I appoint John Harris, of Computershare Investor Services, as the returning officer. During the course of the meeting I'll ask you to mark the reverse side of your voting card, and at the end of the meeting they will be collected by the returning officer and his colleagues.

For your convenience - my apologies - for the convenience of those who may wish to leave early, I open the poll now. You can therefore mark your voting cards and as you leave you can pass them to the returning officer and his colleagues who are standing by the exits.

Alright, so let's move onto item one, which is in relation to the financial statements and reports. So the first item of business listed in the Notice of Meeting is to receive and consider the financial statements, director's report and independent auditor's report of the company and its controlled entities for the financial year ended 30 June 2017.

In accordance with the Corporations Act, there is no vote on this item. This item of business provides shareholders with the opportunity to ask questions about the reports and management of the company. Any questions for the auditor should initially be directed to me as Chairman, and I will determine who is best placed to answer the question. I am happy to take any comments or questions you might have in relation to the financial report or the management of the company in general. If you have a question, can I ask that you please move to one of the attendants, present your shareholder admission card, which will be blue or red in colour, state your name and then ask your question.

So can I ask on this item, number one, whether there are any questions? Please?

Unidentified Male: Can I just ask you to say your name and where you're from.

Peter Dart: (Shareholder) Peter Dart and I'm from Brisbane. I have read with great detail the sustainability report and note on page nine that the report says it was hoped that material aspects of the report could be included in the financial reporting. Does this mean that the aspects such as climate change and climate risk have not been reported on as part of the Annual Report and the financial statements?

Tim Poole: So we take - so one of the purposes and one of the key purposes of the sustainability report is to highlight risks in our business and a number of the sections of that sustainability report go into quite some detail in relation to the long-term risks associated with changing - the changing energy mix and whether coal will increase market share or decrease market share and how that interacts with other sources of energy.

So the purpose of that report is to look at some of those long-term trends, some of those long-term risks. In our Annual Report, which is much more focused on the previous 12 months, it's more a record of historical performance and positions at a certain point in time, like 30 June 2017. So they're quite different reports and the intention is quite different.

Peter Dart: (Shareholder) Can I ask whether the auditors have been specifically assessing climate change as one of the material business risks when they're assessing the Annual Reports?

Tim Poole: So one of the jobs that the auditors need to do in conjunction with our management team and also our Board, is to look at the carrying value of our assets, and as you'd be aware if you've followed our company for a while and in the last 12 months, working out and considering the value of our assets has been quite an important issue for the company and it's taken up quite a lot of management time, quite a lot of auditor time and quite a lot of Board time. Risks around climate change is one of many inputs that we look at as we assess the carrying value of our assets. So that's one example where the auditors would have turned their mind to it, and there are others.

Peter Dart: (Shareholder) Yes of course it deals with sunk assets…

Tim Poole: That's right.

Peter Dart: (Shareholder) …and change in working conditions into the future.

Tim Poole: Correct.

Peter Dart: (Shareholder) Thank you.

Tim Poole: Are there any other questions? Yes sir?

Unidentified Male: Could you say your name and where you're from please?

Bob Beattie: (Shareholder) Yes, I'm Bob Beattie. I'm a joint shareholder with my wife. I'd like to congratulate you on putting together a good Chairman's report. You're okay with that?

Tim Poole: Sure.

Bob Beattie: (Shareholder) I notice that we've got a loss of $86 million I think it is, $69 above rail, $20 below rail, and you're hoping to recover $69 million through regulatory processes. Is that another word for insurance?

Tim Poole: In a way. It is a type of insurance. So what that relates to is the $89 million of EBIT was the impact of Cyclone Debbie on our business in the last 12 months and in the 2017 financial year and $69 million of that is what we expect to recover through the regulatory process. So the process is that we go to the regulator and because we didn't - because the network didn't carry as many tons of coal and we attach our pricing to the amount of tons of coal across our network, effectively we go to the regulator and say tonnage was lower for that period and we'd like to recoup that revenue in the future. We go through a process with the regulator which gets signed off by the regulator, and we'll get to - or we expect to be able to recover that $69 million of lost EBIT in the next two years.

Bob Beattie: (Shareholder) Right. I notice that you're critical that Adani might put in a separate rail line to - extending from say the Goonyella line. There's a difference in gauge of course. Would you be interested in upgrading to standard gauge if that offer was put on the table?

Tim Poole: That's something that we will look at, but at this stage - so it's our Newlands line that we'd be looking to have the spur line come into and at this stage we see no reason to change the gauge. We appreciate it's a different gauge and that Adani's proposal would be standard gauge, but we see no reason at this stage based on the likely tons coming out of the Galilee to change the gauge of our network.

Bob Beattie: (Shareholder) Right. Now I'd like to congratulate you for the shout-out you gave to the coal industry. It's very unusual to get that these days; in fact we usually get quite the opposite. But one thing I would criticise is your reference to two degrees C of the Paris agreement. That's inconsistent with Henry's gas law and our scientific and our engineering training should make sure that we don't repeat the sort of [can't] that comes out of those global warming exercises. Thank you.

Tim Poole: Thanks for your comments sir. Yes thank you?

Unidentified Male: Can I just ask you to say your name and where you're from.

Chris Lintott: (Shareholder) My name is Chris Lintott. I come from Brisbane. My questions relate primarily to the transport of coal from the Acland mine and other mines west of Toowoomba to the Port of Brisbane. First question is when will Aurizon replace its current old polluting and noisy locomotives with modern low emission versions on the Acland to Port of Brisbane line?

Tim Poole: Andrew, I might pass that over to you.

Andrew Harding: Thank you Tim. Well first of all I'd have to say if you've looked at and read any of the documentation in the sustainability report around dust emission or any of our other emissions, including fuel burn and emissions that come from that, you would see that we have an overwhelming profile of improvement through our operations.

So I'd have to thank you for the question but reject the fact - reject the premise that the equipment is in the state that you're actually suggesting.

Chris Lintott: (Shareholder) Well you're welcome to come and look at the rail line where I live and the trains are the old ones, I think 1960s version from what I can gather, and they can't change them because it's the only train that fits through the tunnel from Toowoomba because it's a different shape to the new trains which are square. So I do invite you to come and have a look at what's happening and see what you can do about it.

Andrew Harding: I've actually been and visited the Acland line and a reasonable length of the - and observed the process of coal transportation from the mine, admittedly not travelled the entire length of the line itself. The notion that something that's old is not good is another premise that I'd have to reject. Locomotives themselves have profoundly strong structures. The equipment inside them, including the engines, replaced on a thoughtful regular program and upgraded where necessary. Thank you.

Chris Lintott: (Shareholder) Okay. I appreciate the feedback. My second question then is will Aurizon commit to utilising the new faster and safer rail line which is part of the inland rail project, and cease to use the current tortuous line that runs through Ipswich to the Port of Brisbane?

Tim Poole: Andrew?

Andrew Harding: Yes. So I'm very excited by the inland rail proposal, so very positively inclined to the idea. The challenge at this moment in time is that inland rail as a physical reality is not due for I think around eight years or so. So there'll be a period where we'll start to think about the attractiveness or otherwise of the option, and clearly something that's more efficient, less corners, all those sort of issues, would be attractive. But we've got to actually see an idea turn into reality or get close to that point before we would actually start considering how we would be involved in that. But I do take your point about the modern build idea being substantially better railway line than the existing railway line.

Chris Lintott: (Shareholder) Certainly is. Thank you for your time.

Tim Poole: Thank you. Other questions? Yes?

Unidentified Male: Can I just ask you to say your name and where you're from.

Jan: (Shareholder) Yes, sure. My name's Jan and I'm also from Brisbane. I have a couple of questions in relation to the sustainability report. One is that on page 20 there is an explanation for a proposed rail solution for the Galilee Basin which appears to be a vastly superior option to the expensive proposal from Adani, and the Chair has already referred to this. I'm concerned that in the media all we ever hear about is Adani's proposal, and so can the Board explain what the status is of our proposal to NAIF. Have we for instance moved beyond the initial first application stage?

I have another question too. Shall I ask that now or...

Tim Poole: Why don't I deal with the NAIF question first. Look, you're quite right. As I said in my presentation, cost $1 billion less, we believe 50 odd less land acquisitions under our proposal compared to the Adani proposal, roughly 2000 hectares less of land less disturbed according to our proposal compared to the Adani proposal. So on any chest we can't see why our proposal wouldn't be superior for the users, the customers, the environment, for all stakeholders.

In terms of the status, it's not commercially appropriate for us to be making statements about where we're up to in the process. Safe to say that we are engaging with NAIF and we continue to work and press our case compared to the alternative proposal.

Jan: (Shareholder) Thank you. For my second question, I refer you to page 26 of the sustainability report which forecasts a range of scenarios for thermal coal. Under two different scenarios where global warming is held to below two degrees C, it appears that thermal coal exports drop by 0.1% or 1.6% from current levels by 2030, but this is without the development of the Galilee Basin. Is the Board concerned about the impact of the Carmichael [other] Galilee Basin mines displacing volumes from our existing networks and business in New South Wales and Queensland?

Tim Poole: So that requires - so that's something that we're clearly watching very closely and requires an analysis on a mine by mine basis of the quality of the each of those mines compared to the mines we currently service. Let me say this by way of an overriding comment, and you will find exceptions to the comment I'm about to make, but as a whole the quality of the mines we're currently servicing in a thermal coal sense in particular are better quality than the proposed Galilee mines.

So we would say that the mines that we're currently servicing would be turned off last compared to the Galilee and certainly a number of other mines around the world that are not as good a quality as the mines we're currently servicing.

So that's a high-level comment, and you can get slight differences, as I say, mine versus mine, but at a high level we're very confident in the portfolio of mines that we're currently servicing and the fact that they have a long-term future, both thermal coal and metallurgical coal.

Jan: (Shareholder) Thank you.

Tim Poole: We're doing a lot of heavy lifting on this side of the room. Is there any - are there any questions over here? Yes sir?

Unidentified Shareholder: Mr Chairman, I'll refer to a small part of the business, the South West line that runs from Toowoomba through Warwick to the Goondiwindi area. During the last financial year has Aurizon's operation on that line been profitable? And secondly, do you continue to intend - do you intend to continue to operate on that line at least in the short term? Thank you.

Tim Poole: Thank you. Andrew, do you want to handle that?

Andrew Holding: I think you're referring to that part of the business which is in our intermodal portfolio. So the Chairman in his opening address spoke about how we would be closing down our interstate business and then equally we're in the process of actually getting out of through - the Queensland intermodal aspects of the business.

Tim Poole: Other questions? Yes sir?

Dermot Dorgan: (Shareholder) Dermot Dorgan, Brisbane. I'm also struggling a little to reconcile the proposal on page 20 of the sustainability report to construct and manage a rail infrastructure from the Galilee Basin to Abbot Point with these two scenarios, and to ask why would Aurizon want to see the development of the Galilee Basin knowing it would put the objective of the Paris climate change agreement at risk, jeopardise existing sources of revenue for the company through our existing haulage networks and potentially both?

I suppose a supplementary question is does Aurizon remain supportive of the Paris climate change agreement?

Tim Poole: So as I said in my address, we do support that accord and we are - and we recognise that the world is moving to a greater share of renewables, and we are working as a company to try and do what we can to reduce our carbon footprint. So on every range, we agree and we support that principle.

But at the end of the day - let me try and explain it like this - we're not the ones that will actually be in control of the final investment decisions about whether or not those mines get developed. Those decisions will be made by a range of mining companies. Adani might be one, but there are - GVK is another who we've been talking to for a long period of time and there are a range of other large and small companies that own potential mining operations in the Galilee. Those companies will make the decision about whether or not those mines will get developed.

If they get developed, we would like to haul that coal on our trains and on our network, and that would be a valuable outcome for this company. What we would say is, if those mines have a sustainable future, that will probably displace other lower quality thermal coal in other parts of the world. So net-net, if that was to happen, that would be better for the environment. Australia would be putting out more emissions because it would be producing more thermal coal for use, but net-net as a globe, the globe would be better off because you'd be having - displacing lower quality coal with higher quality Australian coal. That would be our thesis.

But I just reiterate the point: the mining companies are the ones that have to determine whether or not those mines get developed. We want to be the service provider if they're developed and we want them on our network. It doesn't make - as I said in my speech, it doesn't make any sense to build a brand new 380-kilometre rail line which is essentially adjacent to the current Newlands line. That doesn't make sense. Does that help?

Dermot Dorgan: (Shareholder) Yes, thank you.

Tim Poole: Are there any other questions before we move on? Alright, let's move on to item two, and item two is the re-election of Mr John Cooper as a director. So John Cooper retires by rotation in accordance with the company's constitution and seeks re-election. John joined the company's Board on 19 April 2012. Details of John's background, qualifications and experience are set out in the Notice of Meeting. I'll now ask John to say a few words and introduce himself. John?

John Cooper: Thanks Tim. Good afternoon to you all. My name's John Cooper and it's a pleasure to be here. Firstly, let me extend my own welcome to you all and extend my thanks to you for providing me with the opportunity to serve on the Aurizon Board. It's my view that no single Board member is of individual significance on a Board. A successful company requires not only an excellent management team but also a collegiate and experienced Board and that - to behave as a team. This creates the greatest opportunity for success and I count myself as a member of such a group on the Aurizon board.

Throughout my career I've occupied a variety of positions in a variety of industries, including chief executives and managing director and chairman of both public and private companies. For 21 years I worked in an engineering and construction - in the engineering and construction industry, undertaking both small and large projects, fortunately mostly successful. This led me to my first role as chief executive and managing director of a substantial engineering and project management company involved in the oil and gas, mining and the infrastructure sector.

After five years I had a brief stint with the Sydney Olympics, overseeing technology, games readiness and contingency planning, and that was a very interesting learning experience.

A further five years in the property development sector I undertook - after five years in the property development sector I undertook the deputy chairman's role of a major engineering company in Perth for the South African group, Murray and Roberts. I later joined the Murray and Roberts international board overseeing operations in Australia, the United Arab Emirates, UK, Canada and South Africa.

In more recent times I joined the Board of the Sydney Motorway Corporation, now chairing that Board on its WestConnex project in Sydney. I believe this experience stands me in good stead to continue and undertake my role on the Aurizon Board and I thank you for the opportunity. Thanks very much.

Tim Poole: Thank you John. The Board, with Mr Cooper abstaining, recommends that shareholders vote in favour of the re-election of John Cooper as a director of the company. So the resolution before the meeting is that Mr John Cooper, who retires by rotation and being eligible, be re-elected as a director of the company. Is there anyone who would like to ask a question in relation to this motion?

Michael Waterhouse: (Shareholder) Michael Waterhouse, Australian Shareholders Association, and I am representing 114 proxies representing approximately half a million shares. Aurizon is one of the companies that roughly 95% of the shareholders are represented as retail shareholders but they only hold about 7% of the total number of shares, so they don't have much control, whereas the top 20 shareholders have 95% of the total shares. Money talks. So their voice is very loud; our voice is very quiet - or not on this occasion maybe.

Mr Cooper has I think served the shareholders well from what we've seen. You've taken some very brave moves as a Board and the diversity of the Board that's developed over the last couple of years, it's good to see. The retail shareholders want to have a voice on that Board, not in a person but an understanding on the Board of what it means to be a retail shareholder as opposed to the large fund holders.

The issue we have is that there's not a lot of public information out there to do an assessment of the Board - of an individual on the Board effectiveness as a Board member, and also how they represent the shareholder, the retail shareholder particularly.

We have no problems with the background of John; we have no problems at all. In a matter of fact, we're for his election. But I'm indicating that an issue that we have when it comes to making a decision about the re-election of Board members, there is very little information available other than attendances boards and the number of - their background et cetera. But there's no for example matrix of skills that the company wants on the Board, and where that person fits in that skillset. There's also no indication of the collegiality of the Board or lack thereof.

This particular Board that's before us today has taken some very brave decisions from the past Boards. For seven years we've now got a very different Board, and we've also got a very different company going in a very specific more focused and narrower direction.

I don't know whether it's going to be successful because coal is a critical piece of the business, but put all the other issues aside. The issue I'd like to bring to the party is I want to see some sort of evaluation. It's not a witch hunt or anything else like that but it's across the board to show the collegiality of the Board, the operation of the Board, so that when people come up for re-election we can make an assessment, a better assessment than just attendance and what other responsibilities they carry.

So it's really a plea to ask think about it over the next 12 months and see what you can [come with] because I see issues coming down the pipe that re-election of members - I don't want to vote someone off the Board who's been very effective, but the public information is not there to prove it.

Tim Poole: Thanks Michael. There's a few comments that you've made there. The one point I'd respond to is I appreciate the difficulty in making an assessment of individual directors. I've spent more of my life as an investor than I have as a director, but most of that time was in the unlisted market where you could go and spend time with the directors and be a director in an unlisted environment. So you got to do your diligence.

One of the things that's very difficult for public company investors when you invest in a public company like Aurizon is, you're actually trying to do diligence on individual directors, and also that question about collegiality, which is actually one point that John made in his address. He highlighted the fact that collegiality is critically important. I'm a passionate believer that it's not just the individuals, it's the sum of the parts, it's the diversity, it's the different experiences, and some of those experiences aren't often good experiences; it's the scar tissue that actually makes you a better contributor because you've seen some trouble and you've had to deal with that, and that makes you a better contributor around the table.

What I can't promise you though, and in fact I can almost guarantee you, is I'm not sure through a skills matrix or adding another half-page to an annual report we're going to be able to satisfy you, because it's quite an in-depth point that you make, and other than spending time with us and sitting in our room and actually seeing our performance, it's very hard for you to make an assessment on an individual or a Board collectively. But I appreciate your point and thank you for making it.

Are there any other questions on this motion? If not, I'll now put the resolution to the meeting. Displayed on the screens behind me are details of the proxies received in relation to the re-election of Mr Cooper. As this item will be determined by way of poll, as I've said, if you have not already done so, please mark the reverse side of your voting card in relation to item two.

Let's move onto item three which is the Grant of Performance Rights to the Managing Director and CEO. Item 3a, b and c are separate ordinary resolutions relating to the Grant of Performance Rights to the MD and CEO and these are explained in detail on pages three through eight in the Notice of Meeting.

As explained on page three of the Notice of Meeting, 3a relates to the performance rights agreed to be granted on Andrew's appointment as MD and CEO which are termed the 2016 award. With respect to item 3a, the resolution before the meeting is that approval be given for all purposes under the Corporations Act 2001 and the ASX listing rules, including ASX listing rule 10.14, to issue the Managing Director and CEO, Mr Andrew Harding, 463,636 performance rights pursuant to the company's long-term incentive award, 2016 award, on the terms summarised in the explanatory notes to this notice.

Can I ask again whether there's anyone that would like to speak to this motion or ask a question? Thanks Michael.

Michael Waterhouse: (Shareholder) The three - I'd like to commend the Board and the remuneration report, and I hope this is the right place to make this statement. You've moved from a three-year period of assessment or assessment period to a four-year assessment period, which has created its own problems, and therefore that's the reason why there's three pieces. One is the first piece, which is 2016 construction. But you've actually - the framework has changed and you've dropped operating ratio as - and now you've only got [250/50] et cetera. But I commend the Board because it's looked at the core detail and the fact that I think it's 2020 you would have had a gap of long-term incentive assessment because the four-year - you came to the end of a three-year, you had to wait another year before the four-year comes to assessment point.

What you've done is sliced it in two and said alright, this year's for only the first year is a three-year assessment period and the other half is for a four-year assessment period which gives you an assessment all the way through, which keeps everybody's feet to the fire. That little bit of detail, I think - I commend the Board for what they've done. I think they've done it as fairly as they can and they've kept all the fairness and transparency in the system and value-weighted averages and all that sort of stuff. So I thank you for the detail and thank you for putting it in the report and the detail. I know it's complex but it's well worth seeing. Well done.

Tim Poole: Thanks Michael. Just one minor point of clarification, the reason why we're doing the 2016 award this year is because Andrew started just after last year's AGM so we didn't have the opportunity to bring it to the AGM last year.

Are there any other questions? If not, I will put the resolution to the meeting. Once again, displayed on the screens behind me are details of the proxies received in relation to the Grant of Performance Rights to the Managing Director and CEO in relation to the 2016 award.

Once again, as this item will be determined by way of poll, if you have not already done so you should mark the reverse side of your voting card in relation to item 3a. It's important to note that the company will disregard any votes cast on item 3a by all the key management personnel and their closely related parties, except where that vote is cast by them as proxy for a person who is entitled to vote and in accordance with the directions on the voting card.

Now the next two items of business, items 3a - sorry 3b and 3c, relate to awards 2017 to be granted as a consequence of the company, as Michael alluded to before, transitioning the Grant of Performance Awards from a three-year performance period to a four-year performance period. These grants for 2017 awards as explained on page five of the Notice of Meeting have been calculated on a value neutral basis to the MD and CEO and on a cost neutral basis to the company. So we were very keen to make sure as we move from three years to four years there was no winner and no loser. So the company was cost neutral and there was no impact to the individual.

So with respect to item 3b, the resolution before the meeting is that approval be given for all purposes under the Corporations Act and the ASX listing rules, including ASX listing rule 10.14, to issue to the Managing Director and CEO, Mr Andrew Harding, 295,938 performance rights, pursuant to the company's long-term incentive award, 2017 award, three years on the terms summarised in the explanatory notes to this notice.

Is there anyone that would like to ask a question or speak to this resolution? If not, I'll put the resolution to the meeting. Once again, displayed on the screens behind me are details of the proxies received in relation to the Grant of Performance Rights to the Managing Director and CEO for 2017 three-year award.

Again, as this item will be determined by way of poll, if you have not already done so, please mark the reverse side of your voting card in relation to item 3b, and once again, we will disregard any votes cast on item 3b by all key management personnel and their closely related parties except where that vote is cast by them as a proxy for a person who is entitled to vote and in accordance with the directions on the voting card.

Then finally in relation to item 3, with respect to item 3c, the resolution before the meeting is that approval be given for all purposes under the Corporations Act and the ASX listing rules, including ASX listing rule 10.14, to issue to the Managing Director and CEO, Mr

Andrew Harding, 295,938 performance rights, pursuant to the company's long-term incentive award 2017 award four years, on the terms summarised in the explanatory notes to this notice.

Are there any questions in relation to this motion or any comments? If not, I will now put the resolution to the meeting. Once again, displayed on the screens are the details of the proxies received in relation to the Grant of Performance Rights to the Managing Director, the 2017 award four years.

Once again, with this being determined by poll, if you have not already done so, please mark the item 3c, and again we will disregard any votes lodged by all key management personnel and their closely related parties except where that vote is cast by them as a proxy for a person who is entitled to vote and in accordance with the directions on the voting card.

Alright, let's move onto item four. Item four is an ordinary resolution which relates to the approval of potential termination benefits to executives. The resolution seeks for the Board to be able to exercise certain discretions under the plan in relation to the treating of unvested performance rights or options that may have been granted under that plan. Details of this resolution are set out on pages eight and nine of the Notice of Meeting.

The resolution before the meeting is that in accordance with the terms of Section 200B and 200E of the Corporations Act approval is given for the provision of benefits under the company's long-term incentive plan where all of the following conditions are met: (a) the person receiving the benefit is currently or in the future an employee of the company or a related body corporate, (b) the person holds a managerial or executive office, (c) the benefit is paid or provided on the person seeking to hold a managerial or executive office and (d) the benefit is paid or provided on the terms set out in the explanatory notes.

Is there anyone that would like to speak to this motion or ask a question? If there are no questions, I will now put the resolution to the meeting. Displayed on the screens behind me are the details of the proxies received in relation to the approval of potential termination benefits.

Once again, as this item will be determined by poll, if you have not already done so, please mark the reverse side of your voting card in relation to item four. Again the company will disregard any vote cast on item four by all key management personnel and their closely related parties, except where that vote is cast by them as a proxy for a person who is entitled to vote and in accordance with the directions on the voting card.

Let's move onto the final item which is item number five, and that's in relation to our remuneration report. So item five relates to the adoption of the remuneration report of the company for the financial year ended 30 June 2017 and is set out on pages 23 to 36 of the 2017 annual report.

The remuneration report sets out the Board's remuneration policy for its executives, employees and directors. The company strives to ensure that its remuneration report is clear, transparent and demonstrates the Board's objective of ensuring the alignment of executive reward with the creation of shareholder value and that current market practices have been duly considered in terms of both quantum and structure of the company's remuneration framework.

The resolution before the meeting is that the remuneration report for the financial year ended 30 June 2017 be adopted. The Board unanimously recommends that shareholders vote in favour of adopting the remuneration report. Can I ask whether there are any questions or comments in relation to our 2017 remuneration report? Michael?

Michael Waterhouse: (Shareholder) I'd just like to note that - and that came out in the annual report - that because you've got a relatively new Board, new executive staff et cetera, that in the - in achievement of the short-term incentives you've achieved all the non-financials, but failed the financials. So the Board took its discretion or used its discretion to apply those incentives to allow those to flow through, even though the financial incentives weren't achieved or the hurdles weren't overcome.

The Australian Shareholders' Association tends to look at the financials as a gate; in other words, no other incentives go across unless the financials are achieved. However, tongue in cheek here, but you've sort of bribed us by issuing a dividend that's the largest dividend of 22.5 cents per share. So in a sense you're saying look, we've done the shareholder - they've got their benefit and so therefore the staff should get theirs.

So in a way I acknowledge, because you've got a new team et cetera, but the whole - the financials should be part of the balance of the non-financials and financials. We acknowledge that in this particular instant we accept the discretion of the Board; however, as more experience comes through, we want to see the financial hurdles as a gate before the others are paid out. Thank you.

Tim Poole: Thanks Michael. If I can just respond on one point. So some companies have earnings or indeed safety as a gate, you don't hit a certain EBIT level, the SDI program doesn't open up for executives, and some have it like we do which is there's no gate, you've just got a series of different measures that need to be satisfied and they're satisfied or they're not.

In relation to our metrics, you're quite right, the earnings one wasn't satisfied, so there was nil outcome; the transformation one wasn't satisfied so there was nil outcome. But there were a range of other ones, particularly around safety and environment and gender diversity, where there were metrics in place, there were KPIs in place and they were satisfied to some varying degrees, and they were - the management team were awarded on those.

So the Board actually didn't use discretion to determine whether or not they would be paid. They were metrics and they were either satisfied or not.

Then finally there's an individual component, and again each individual from the CEO down has a scorecard and we assess performance against that scorecard. So the Board could have overridden all of that process and decided, like we did last year, not to pay any short-term bonuses, but what we decided to do on the balance of the year that we let the scorecard fall where the scorecard fell, and that's the decision that the Board took, and we felt that was the appropriate decision for the last 12 months.

Are there any other questions in relation to the remuneration report? If not, I'll now put the resolution to the meeting. Once again, for the last time this afternoon, the results are on the screens in relation to the details of the proxies received in relation to item five. Once again, the company will disregard any votes cast on item five by all key management personnel and their closely related parties, except where that vote is cast by them as a proxy for the person who is entitled to vote and in accordance with the directions on the voting card.

Once again, as this item will be determined by poll, if you have not already done so, please mark the reverse side of your voting card in relation to item five.

Ladies and gentlemen, this completes discussion of all the resolutions contained in our Notice of Meeting this year. Could all shareholders please complete and sign your voting cards as required and ensure they are placed as completed in the ballot boxes held by the Computershare attendees as you leave the meeting. If you require assistance, please raise your hand and we can assist you. Does anyone need any more time to complete?

If not, we can pass them through to the Computershare people on the way out, and once that's done I'll formally close the poll.

The results of the voting today will be notified to the ASX in accordance with the Corporations Act and we'll also place the results on the company's website as soon as they become available. As there is no other business for the meeting today, I declare the meeting closed and I invite you all to please come and join the Board and the senior executive team for some refreshments outside. Thank you for your attendance today.

End of Transcript