FY2018 Results

Andrew Harding – MD & CEO
Pam Bains – CFO & Group Executive Strategy

AURIZON

13 August 2018

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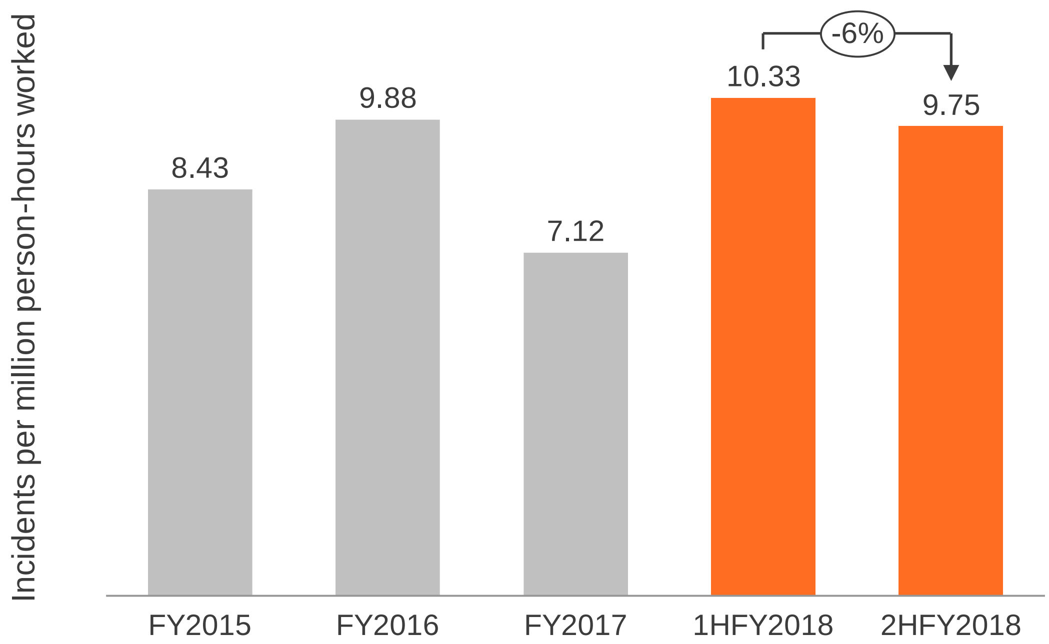
Performance Overview

Andrew Harding
Managing Director & CEO

Safety performance

Aurizon is on a journey to reset the safety culture

TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)[1]



1. TRIFR includes employees and contractors

Aurizon's vision, purpose and values

Focussed on customers and recognises its important role in both regional Australia and global supply chains

VISION

The first choice for bulk commodity transport solutions

PURPOSE

Growing regional Australia by delivering bulk commodities to the world

Achievement of vision represents:

- #1 in the market
- Strongest renewals and new business growth
- Increasing Australian share of seaborne coal and other bulk trade

VALUES

SAFETY | PEOPLE | INTEGRITY | CUSTOMER | EXCELLENCE

AURIZON

Strategic levers required to fulfil Aurizon's vision

Execution against the three strategic levers is aimed at driving differentiation, competitive advantage and sustainable performance

	OPTIMISE	EXCEL	EXTEND
STRATEGIC LEVERS	Delivering a cost effective and customer aligned model Moving decisions closer to our operations and customers Delivering a portfolio of value adding businesses Allocating capital rigorously and efficiently	Labour and asset productivity through technology Regulatory reform Developing a safety and performance culture that is agile and innovative	Improving the competitiveness of supply chains we operate Leveraging expertise to adjacent assets and activities Bulk commodity supply chain manager of choice
OUTCOME	Accelerate cost competitiveness of Aurizon	Achieve regulatory reform, secure contract wins and gain competitive advantage through asset efficiency	Position Aurizon for growth, value creation and the next phase of Enterprise evolution

Update on key priorities

$1bn returned to shareholders since March 2017. Three year transformation target of $380m has been achieved

CAPITAL MANAGEMENT

- $1bn returned to shareholders since March 2017, including $300m buy back in FY2018
- Final dividend declared at 13.1 cents - 100% underlying NPAT for continuing operations

NETWORK REGULATION (UT5)

- UT5 draft response strategy in execution across multiple pathways – regulatory, commercial and legal
- Actions to date include alignment of maintenance and operating practices to the UT5DD

TRANSFORMATION DELIVERED

- $380m[1] transformation target delivered
- Transformation to underpin long term value creation through continuous improvement in asset and labour efficiencies
- Major initiatives include Precision Railroading and restructure of support areas

INTERMODAL TRANSACTIONS

- Intermodal Interstate operations closed in line with plan, locomotives cascaded to NSW Coal
- ACCC has blocked the sale of Queensland Intermodal and Acacia Ridge Terminal
- Proceedings commenced in Federal Court of Australia, where Aurizon will with PN seek to clear the Acacia Ridge transaction and defend other allegations

1. Over FY2016-FY2018 including the benefit of removing Intermodal's FY2017 losses, which principally relate to Intermodal Interstate

FY2018 highlights[1]

Solid result with $941m EBIT, 10.9% ROIC and 69.8% OR

FINANCIAL RESULTS

- Underlying EBIT up 6% to $941m with earnings growth in Bulk
- Total Above Rail volumes up 4% - growth in Coal (7%) offsetting reduction (6%) in Bulk
- Network volumes up 9%
- Statutory NPAT $560m
- ROIC 10.9%
- Operating Ratio 69.8%

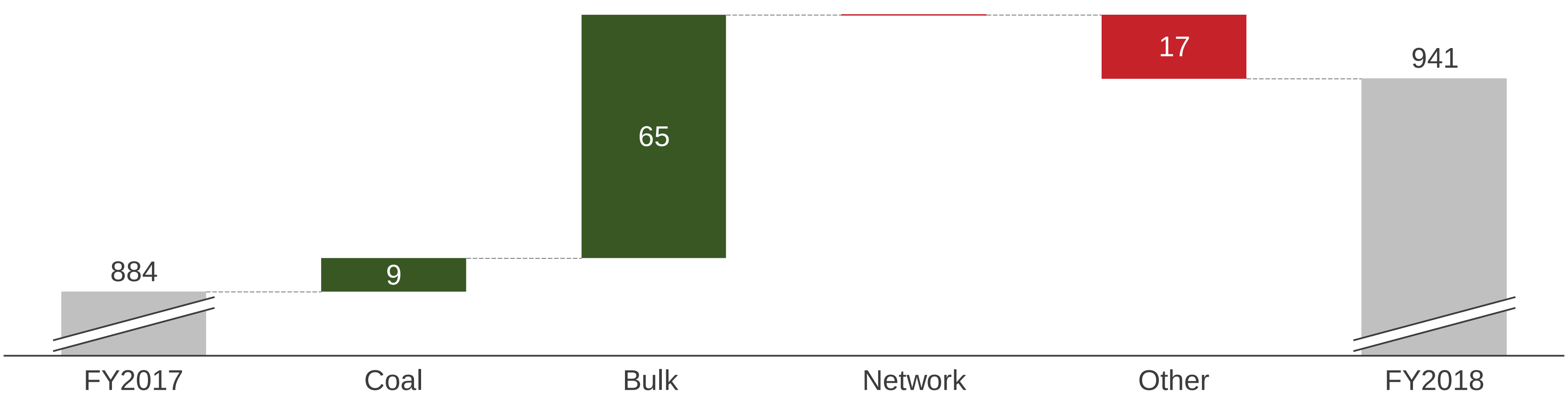
CASHFLOW

- Free cash flow (FCF) down 5% to $669m

SHAREHOLDER RETURNS

- Final dividend 13.1 cents declared on continuing NPAT, total FY2018 dividend 27.1 cents
- $300m buy back completed in FY2018

UNDERLYING EBIT BRIDGE – GROUP ($M)



1. Continuing operations

Coal update

Operating in a supportive market environment, Coal is focussed on improving cost competitiveness, asset utilisation and delivery performance and achieved $47m in transformation in FY2018

COAL MARKET CONDITIONS

- Annual volume growth of ~2% over next 10 years
- Hard coking and thermal coal prices increased in FY2018 7% and 24% respectively driven by growth in steel production and thermal power generation in China and India
- In the 12 months to June 2018, China crude steel production increased 6% to a record 870mt
- India (Australia's largest metallurgical coal export market) in June 2018 recorded its 29th consecutive month of YoY growth in steel production

COAL CUSTOMERS

- Customer sentiment positive in NSW/SEQ system. Tension in CQCN over capacity constraints
- Coal remains focused on optimising service delivery and improving reliability for customers
- All customer mines estimated at positive cash margins

CONTRACT WINS

- **Qcoal**
  Byerwen Mine
  up to **10mtpa**[1] for 10 years
  Commenced January 2018
- **Bounty Mining**
  Cook Mine
  Commenced March 2018
- **Baralaba Coal Company**
  Baralaba North Mine
  2mtpa for 5+5 years
  Commencing 1HFY2019
- **MACH Energy**
  Mt Pleasant Mine
  8mtpa for 10 years
  Commencing late 1HFY2019

1. 5.0mtpa initially

Network update

Aurizon is pursuing multiple pathways to resolve UT5

UT5 DRAFT RESPONSE STRATEGY

- Regulatory
  - March 2018 response submitted on the UT5 draft decision
  - June 2018 submitted response on Maintenance consultation paper
- Commercial
  - Proposals put forward to customers and QCA around potential commercial resolution on terms acceptable to all stakeholders
- Legal
  - Judicial Review of UT5 draft decision lodged with Supreme Court of Queensland
  - Hearing date – 22 October 2018

OPERATIONAL RESPONSE TO THE DRAFT DECISION

- Aurizon has aligned maintenance and operating practices with draft decision given retrospectivity to 1 July 2017, including:
  - Adherence to the plan
  - Cessation of overlength train trials
  - Focus on permanent rectification work
  - Review of all non safety capital expenditure
- Customer and stakeholder engagement continues

Bulk update

The turnaround plan is in execution, focus now turns to growth opportunities

CUSTOMER UPDATE

- **IPL**
  Fertilizer and acid hauls in Queensland (Mt Isa line)
  New contract commencing January 2020
- **MMG**
  Zinc haul in Queensland (Mt Isa line)
  7.4 year contract commenced November 2017
- **Cement Australia**
  Limestone haul in Queensland
  10 year contract extension commenced January 2018
- **Cliffs**
  Iron ore haul in Western Australia
  11mtpa contract ceased railings June 2018 due to early customer termination
  $66m termination payment received in July 2018
- **Mt Gibson**
  Iron ore haul in Western Australia
  3mtpa contract expected to conclude December 2018
  - End of mine life
- **Graincorp**
  Grain hauls in Queensland
  Contract ceases November 2019

TRANSFORMATION & GROWTH

- $32m in benefits generated in FY2018. Key initiatives include:
  - Multiskilling employees
  - Footprint consolidation
  - Improving asset efficiency
  - Removal of overhead costs
- Bulk is focused on growth markets
  - Aligned to growing commodity markets, Bulk has a well developed pipeline of opportunities

Enterprise Agreement update

EA - Bargaining has now commenced across all Queensland EAs

ENTERPRISE AGREEMENTS

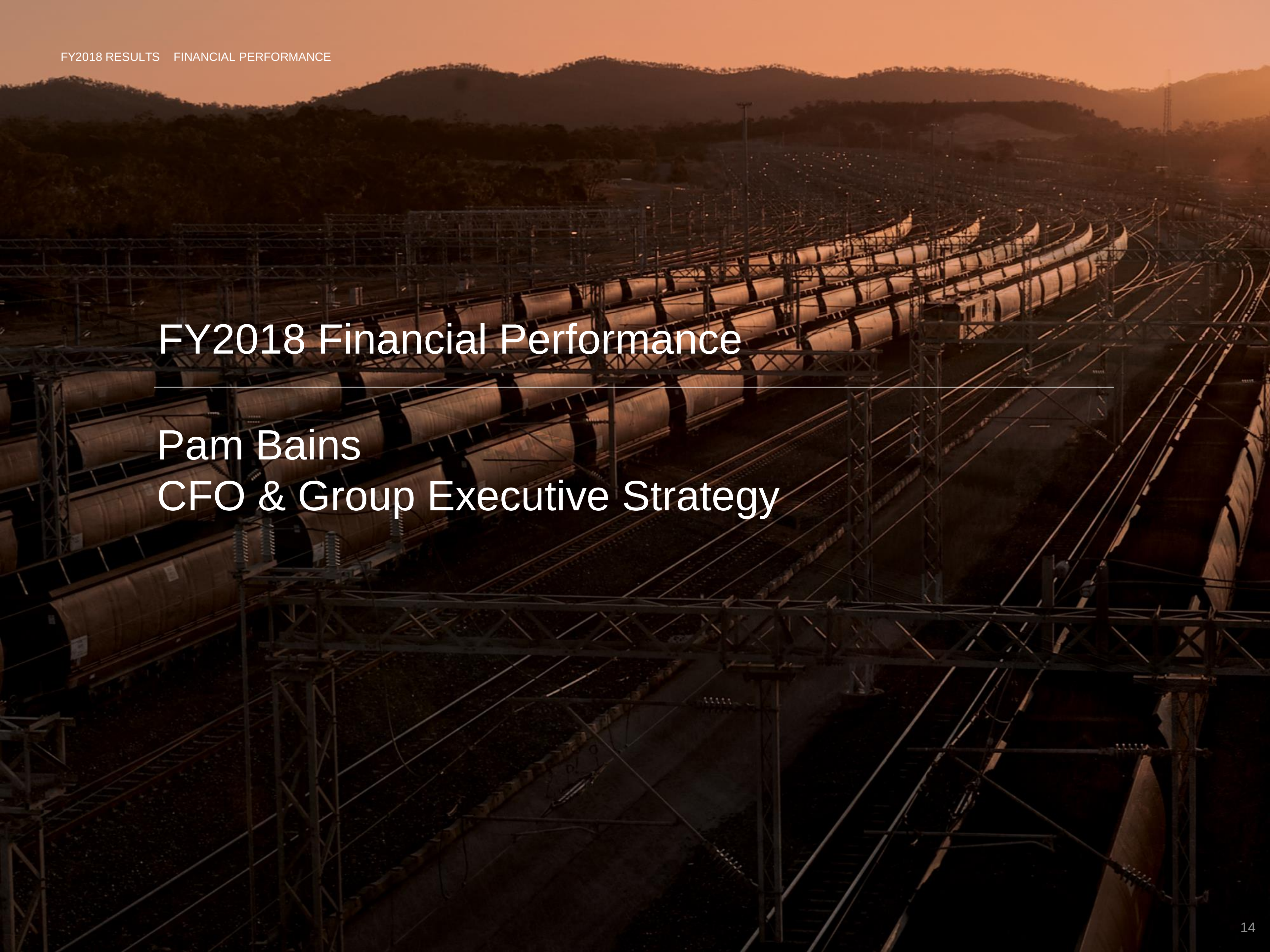
ENTERPRISE AGREEMENT	# OF EMPLOYEES COVERED (approx.)	EXPIRY DATE	STATUS OF BARGAINING
WA Rollingstock Maintenance EA	100	10 May 2017	Complete
Queensland Staff EA	700	28 January 2018	Ongoing since August 2017
NSW Coal EA	300	31 March 2018	Ongoing since March 2017
WA Rail Operations EA	400	30 June 2018	Ongoing since March 2018
Queensland Construction & Maintenance EA	900	28 August 2018	Ongoing since July 2018
Queensland Train Crew EA	1,400	10 September 2018	

Intermodal update

Intermodal Interstate closed, ACCC has blocked sale of Acacia Ridge and Queensland Intermodal (QIM)

INTERMODAL - ACCC DECISION

- On 19 July 2018 ACCC blocked the sale of QIM and Acacia Ridge Terminal (ART) and commenced proceedings in the Federal Court of Australia
- The ACCC claims that proceeding with the sale of both transactions would have the effect of substantially lessening competition
- The ACCC also alleges that Pacific National (PN) and Aurizon gave effect to understandings between them that had the purpose or effect of substantially lessening competition
- The ACCC on 10 August 2018 sought orders from the Federal Court compelling Aurizon to continue to operate the QIM business whilst proceedings are on foot. Aurizon resisted that application to enable it to proceed to exit the loss making QIM business as planned
- Aurizon has today terminated the sale agreement for QIM and will therefore not seek clearance of that transaction through the Federal Court but will instead exit that business subject to any orders of the Court
- Aurizon with PN will seek to clear the ART transaction through the Federal Court proceedings and defend the incorrect allegations that Aurizon came to understandings with PN that contravened the law



FY2018 Financial Performance

Pam Bains
CFO & Group Executive Strategy

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Key financial highlights[1]

EBIT growth from transformation and improved earnings in Coal and Bulk

$m	FY2018	FY2017	Var
Revenue	3,113	3,143	(1%)
Operating Costs	(1,646)	(1,692)	3%
Depreciation & Amortisation	(526)	(567)	7%
EBIT – underlying	941	884	6%
EBIT – statutory[2]	966	124	677%
Operating Ratio (%)	69.8%	71.9%	2.1ppt
NPAT – underlying	542	495	10%
NPAT – statutory[2]	560	(37)	nm
EPS (cps) – underlying	26.9	24.1	12%
EPS (cps) – statutory	27.8	(1.8)	nm
ROIC (%)	10.9%	9.3%	1.6ppt
Final dividend per share	13.1	8.9	47%
Free Cash Flow	669	704	(5%)

- Revenue impacted by UT4 and FY2016 revenue true up in Network and lower volumes in Bulk, offset in part by higher coal volumes and prior year impact of Cyclone Debbie in 2HFY2017
- Operating costs benefited from $86m in transformation partly offset by wages and consumables escalation $28m and net incremental costs supporting new volumes $17m
- Statutory EBIT result improved with a reduction in significant adjustments in FY2018 (Bulk impairments FY2017)
- Free cash flow impacted by Moorebank sale in FY2017
- Dividend based on 100% payout ratio of underlying continuing NPAT

1. Continuing operations
2. Significant Items in FY2018 of $26m and includes Cliffs contract termination $35m, Bulk asset impairment ($32m) and Redundancy costs $23m. Significant Items in FY2017 of ($760m) which includes impairment for Bulk ($526m), FMT ($64m), Freight Review contracts ($10m) and other assets ($49m). It also includes ($111m) in redundancy costs.

Coal

Volume growth and transformation deliver improved performance despite increased cyclical maintenance and costs supporting new volumes

$m	FY2018	FY2017	Variance
Above rail revenue	1,208	1,157	4%
Track access	598	630	(5%)
Other	7	8	(8%)
Revenue	**1,813**	**1,795**	**1%**
Operating Costs	(1,201)	(1,191)	(1%)
Depreciation	(183)	(184)	1%
EBIT	**429**	**420**	**2%**
Tonnes (m)	212.4	198.2	7%
NTKs (bn)	50.4	47.6	6%

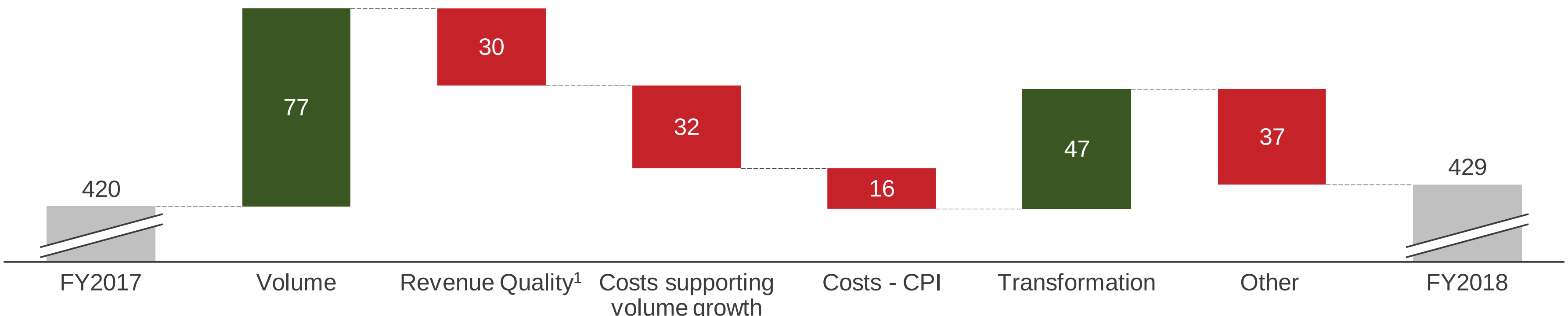
Revenue

- Volumes – up 7% post Cyclone Debbie recovery and commencement of new contracts in FY2018
- Yield decline (1%) with contract utilisation up 4ppt impacted by Cyclone Debbie in prior year

Costs

- Transformation benefits of $47m
- Offset by:
  - Cost of supporting new volumes ($32m)
  - Wages & consumables escalation ($16m)
  - Redundancy and one-off costs ($16m)
  - Increased maintenance for fleet reliability in CQCN ($6m)

COAL EBIT PERFORMANCE



1. Revenue quality is net of fuel price and access revenue & cost

Bulk

Earnings turnaround driven by transformation benefits and reduced depreciation offset by lower volumes in Bulk

$m	FY2018	FY2017	Variance
Revenue	**618**	**645**	**(4%)**
Operating Costs	(543)	(586)	7%
Depreciation	(25)	(73)	66%
EBIT	**50**	**(14)**	**nm**
Tonnes (m)	54.7	58.3	(6%)
NTKs (bn)	13.4	15.4	(13%)

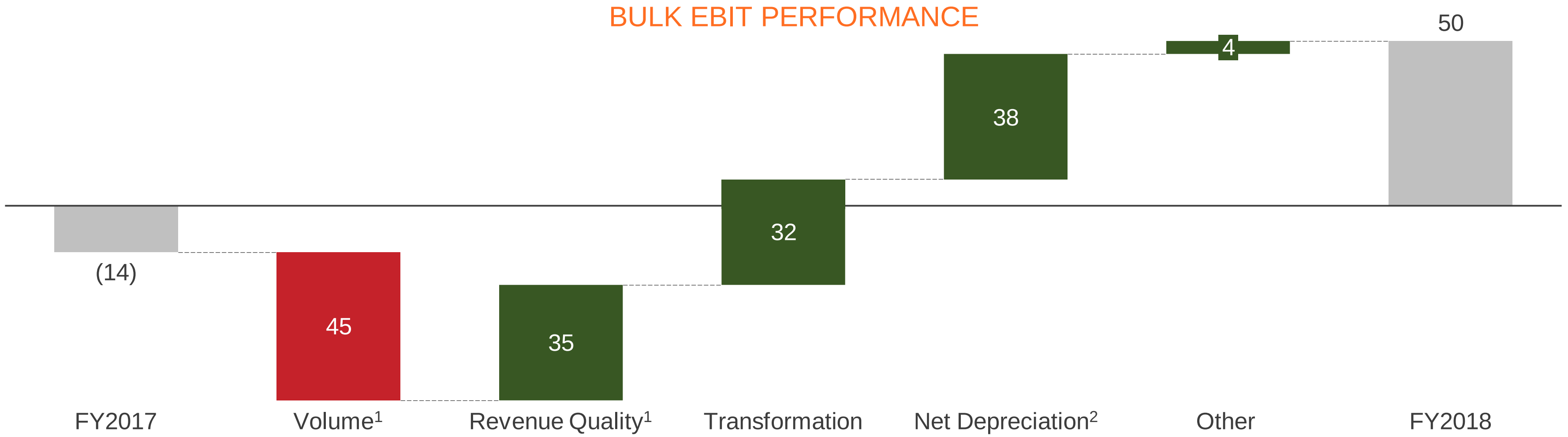
Revenue

- Lower bulk volumes with cessation of Mt Isa Freighter and lower iron ore and grain volumes

Costs

- Net depreciation[2] reduction of $38m due to FY2017 impairments
- Transformation benefits $32m
- Other includes removal of costs associated with the Mt Isa Freighter $15m, partly offset by wages & consumables escalation, redundancy and other costs $11m

BULK EBIT PERFORMANCE



1. Revenue volume and quality is net of access revenue & cost
2. Net depreciation - $48m reduction in depreciation offset by $10m capital expenditure written off included in operating costs

Network

Performance in line with expectation, cost reductions and higher volumes offset by UT4 adjustments from FY2017

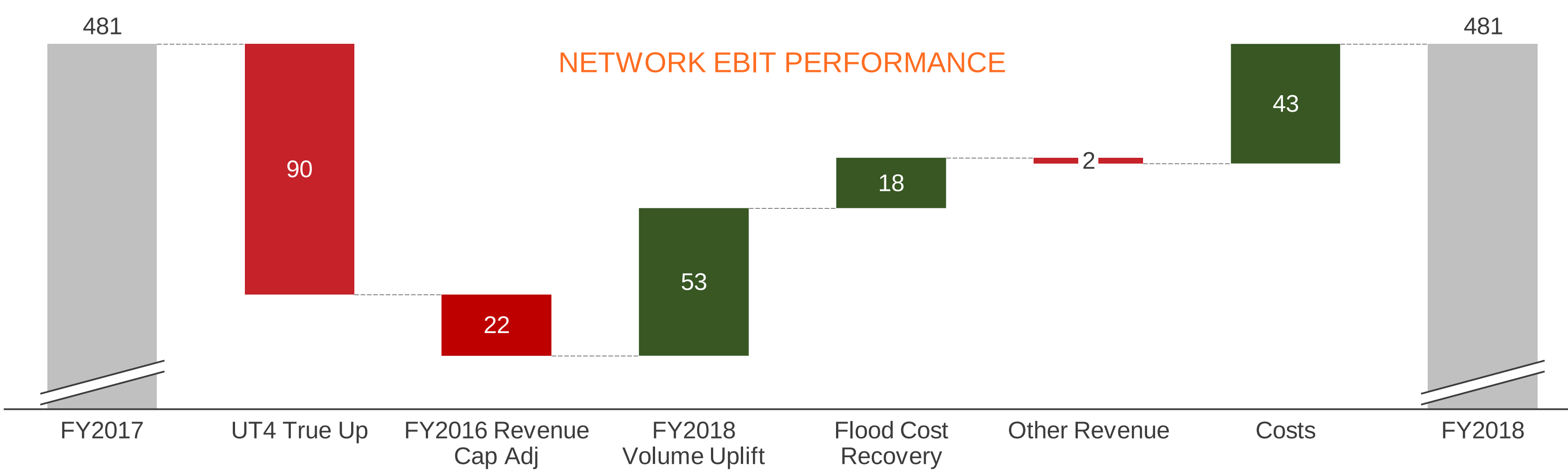
$m	FY2018	FY2017	Variance
Revenue	**1,219**	**1,262**	**(3%)**
Operating Costs	(430)	(481)	11%
Depreciation	(308)	(300)	(3%)
EBIT	**481**	**481**	**-**
Tonnes (m)	229.6	210.8	9%
NTKs (bn)	56.9	53.2	7%

Revenue

- UT4 one off true up (~$90m) in FY2017
- FY2016 revenue adjustment ($22m)
- Volume uplift FY2018 post Cyclone Debbie recovery ~$53m
- Flood cost recovery 2HFY2018 $18m

Costs

- Includes impact of UT4 corporate cost allocation $26m in FY2017



Intermodal

Result includes benefit of closure of Intermodal Interstate in 1HFY2018. Reported as a discontinued item

$m	FY2018	FY2017	Variance
Revenue	225	310	(27%)
Operating Costs	(247)	(341)	27%
Depreciation	(2)	(17)	87%
EBIT Loss	**(24)**	**(48)**	**50%**
Significant Items	(75)	(167)	55%
Income tax benefit	22	65	(67%)
NPAT Loss	**(77)**	**(150)**	**49%**
Free Cashflow	30	(70)	nm
TEU ('000s)	266.0	405.2	(34%)

EBIT Loss improvement driven by lower operating costs with the closure of Intermodal Interstate in 1HFY2018 and lower depreciation from asset impairments in FY2017 offset in part by lower revenue

Significant Items

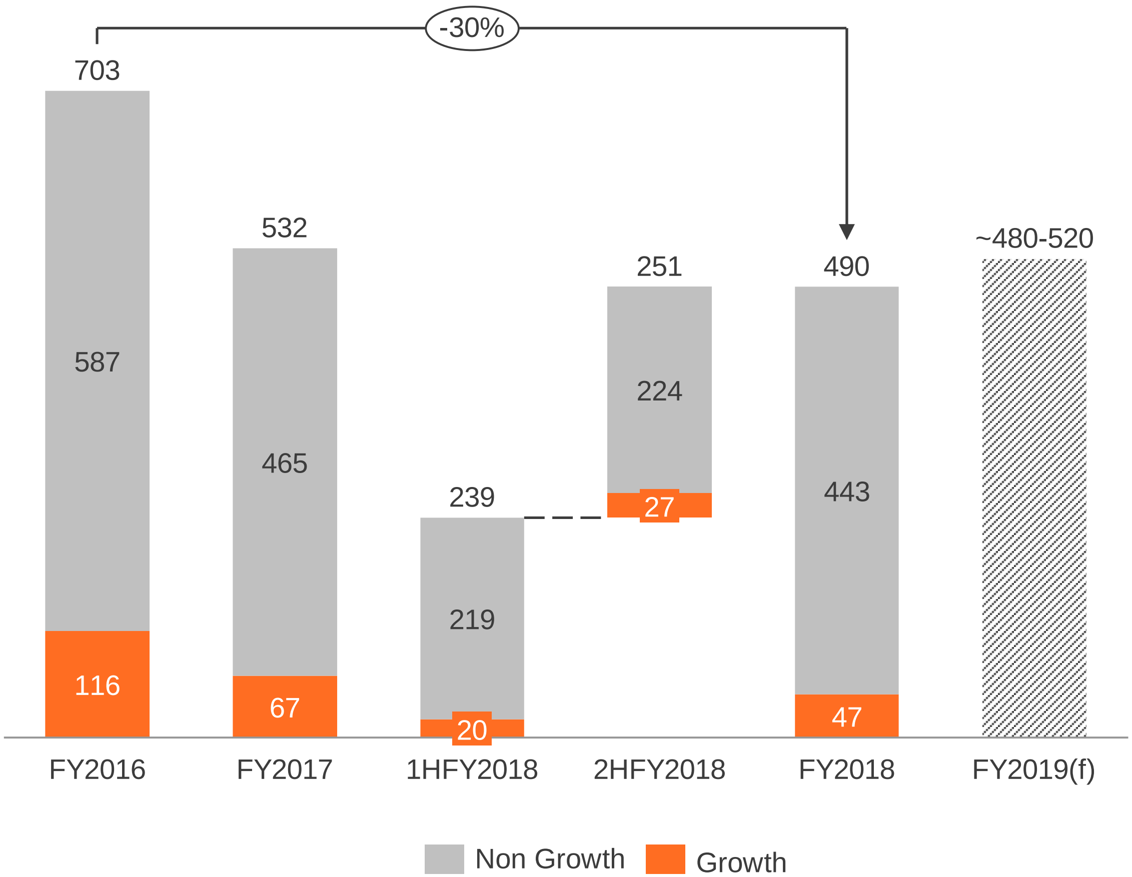
- Relate to the payment and accrual of closure costs for the Interstate business and include:
  - Contract, lease and supplier exit costs
  - Redundancy
  - Asset write offs

Cashflow benefited from the receipt of $45m deposit, $35m non refundable

Capital expenditure

FY2019 capital expenditure mix change with Network decrease offset by increase in Above Rail

CAPITAL EXPENDITURE[1] FY2016 – FY2019 ($M)



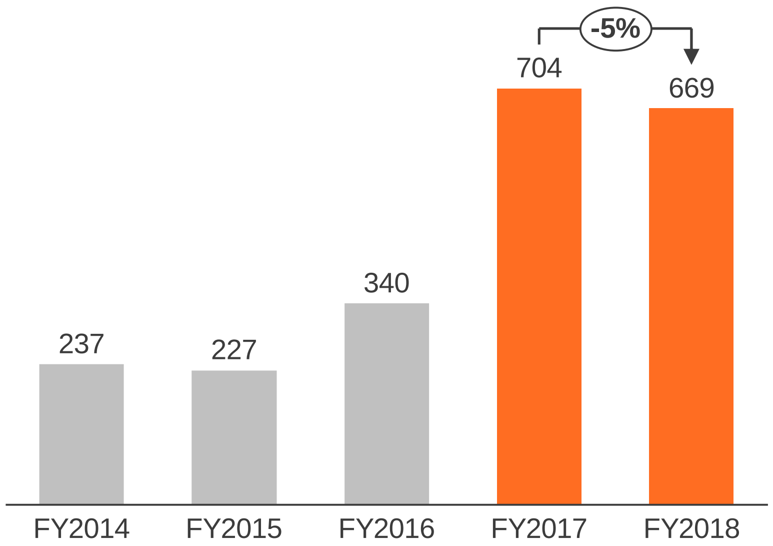
- FY2018 capex in line with guidance at $490m (guidance $485-495m)
- Capital expenditure guidance for FY2019 $480m – $520m
- Growth capital in FY2019 includes new coal wagons to support growth tonnes across CQCN and Hunter Valley
- Non growth capital in FY2019 forecast to increase against FY2018 as a result of:
  - Rollingstock overhauls due
  - Technology projects
  - Deferrals from prior years
  - Potential capital for replacement rail grinder

1. Total Group capital expenditure net of lease incentive payments and externally funded projects

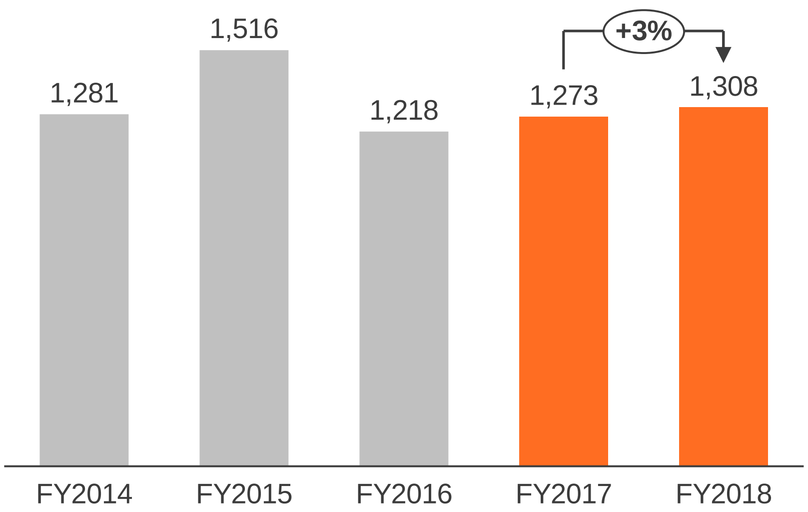
Cashflow

FCF impacted by prior period asset sales

FREE CASH FLOW ($M)



NET CASH FROM OPERATIONS ($M)



Total Group Continuing Operations

- Continuing Free cash flow FY2017 includes $98m Moorebank sale proceeds
- Net cash from operations benefited from reduced income tax paid in FY2018

Funding update

Interest costs reduced in FY2018. Strategy remains to diversify debt investor base and increase average tenor

UT5 DRAFT DECISION IMPACT

- UT5DD does not currently support Moody's Baa1 credit metrics for Network (Holdings no change)
- S&P metrics (BBB+) satisfied due to lower thresholds and differing views on coal risk

FY2018 FUNDING ACTIVITY

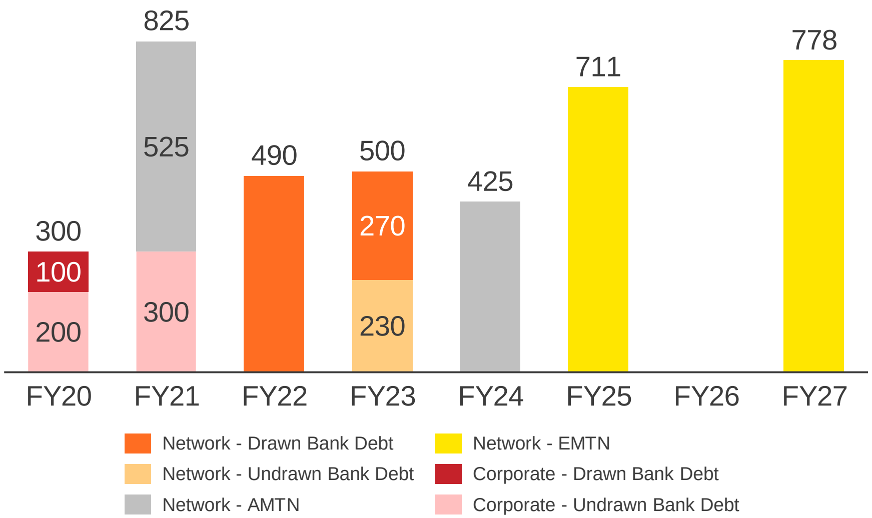
- Aurizon Network's $525m bank facility was repriced in November 2017 and maturity extended to FY2023 (facility size reduced to $500m)
- Aurizon Holdings FY2020 and FY2021 revolving bank debt facility (A$600m) to be refinanced by July 2019 (bank debt facility size reduced from $800m in June 2018)

INTEREST RATES

- Reduction in the cost of drawn debt and interest expense due to the replacement of hedges in June 2017
- Aurizon's debt is now approximately 84% fixed/hedged for FY2018-20 falling to 70% in FY2021

KEY DEBT METRICS	FY2018	FY2017
Weighted average maturity[1]	4.7 years	5.0 years
Group interest cost on drawn debt	4.5%	5.0%
Group Gearing[2]	42.3%	39.6%
Network Gearing[3] (excl AFDs[4])	62.4%	54.1%
Credit Rating (S&P/Moody's)	BBB+/Baa1	BBB+/Baa1

MATURITY PROFILE ($M)



1. Calculated on drawn debt, excluding working capital facility
2. Group Gearing – net debt/net debt plus equity
3. Network Gearing - net debt/RAB
4. Access Facilitation Deed

Outlook & Key Takeaways

Andrew Harding
Managing Director & CEO

FY2019 outlook

Providing Group earnings guidance is challenging due to uncertainty around UT5 final outcome

- Underlying EBIT guidance for above rail business $390-430m
- Providing guidance for Network is challenging as transitional tariffs in place for only 1HFY2019 ($130m range of outcomes[1])
- Above Rail EBIT growth in FY2020 due to higher coal volumes and transformation driving value across the business

KEY ASSUMPTIONS

- Coal – flat outlook with 215 – 225mt volumes offset by increased maintenance and operating costs
- Bulk – $50m impact from cessation of Cliffs and Mt Gibson contracts
- Continued delivery of transformation in the remaining core business
- No major weather impacts
- Excludes redundancy costs

1. Refer slide 68

Key takeaways

Delivered to expectations in FY2018. Earnings headwinds in FY2019 with new strategic framework positioned to deliver long term earnings growth

EARNINGS

- Solid FY2018 performance with EBIT up 6%
- 47% increase in final dividend, maintaining payout ratio at 100% of underlying NPAT
- Earnings headwinds in FY2019 with additional investment in Coal to enhance reliability and cessation of iron ore contracts in Bulk
- Above Rail earnings growth from FY2020 with increased coal volumes and transformation driving value

UT5

- UT5 draft response strategy in execution across multiple pathways – regulatory, commercial and legal
- Actions to date include alignment of maintenance and operating practices to the UT5DD
- Customer and key stakeholder engagement continues

INTERMODAL

- ACCC has blocked the sale transactions for Intermodal Queensland and the Acacia Ridge Terminal
- Currently before Federal Court of Australia, Aurizon will defend the proceedings
- Aurizon has today terminated the sale agreement for the Queensland Intermodal business and will exit that business subject to any orders of the Court

STRATEGIC FRAMEWORK

- New framework introduced to support enterprise objectives
- Execution against three strategic levers is aimed at driving differentiation, competitive advantage and sustainable performance

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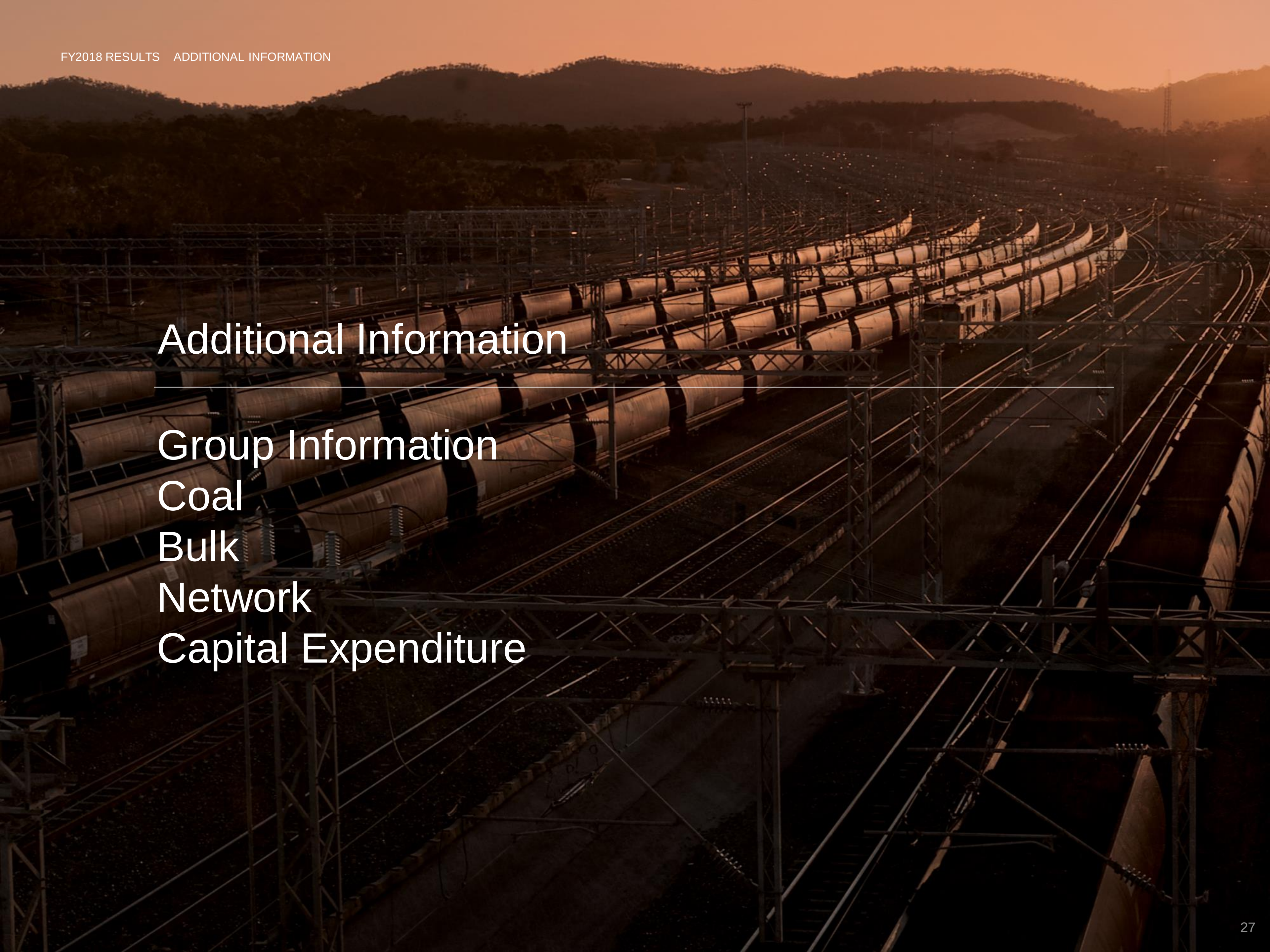


Additional Information

Group Information
Coal
Bulk
Network
Capital Expenditure

Aurizon's rail haulage operations

KEY OPERATIONAL STATISTICS[1]

COMMODITIES
Coal, iron ore, bulk freight and intermodal

ROLLINGSTOCK
500+ active locomotives

OPERATIONAL FOOTPRINT
More than 160 operational sites

PEOPLE
More than 4,500 operational full-time employees

WAGONS
13,000+ active wagons

[1] Statistics as at 1 January 2018

Capital allocation framework

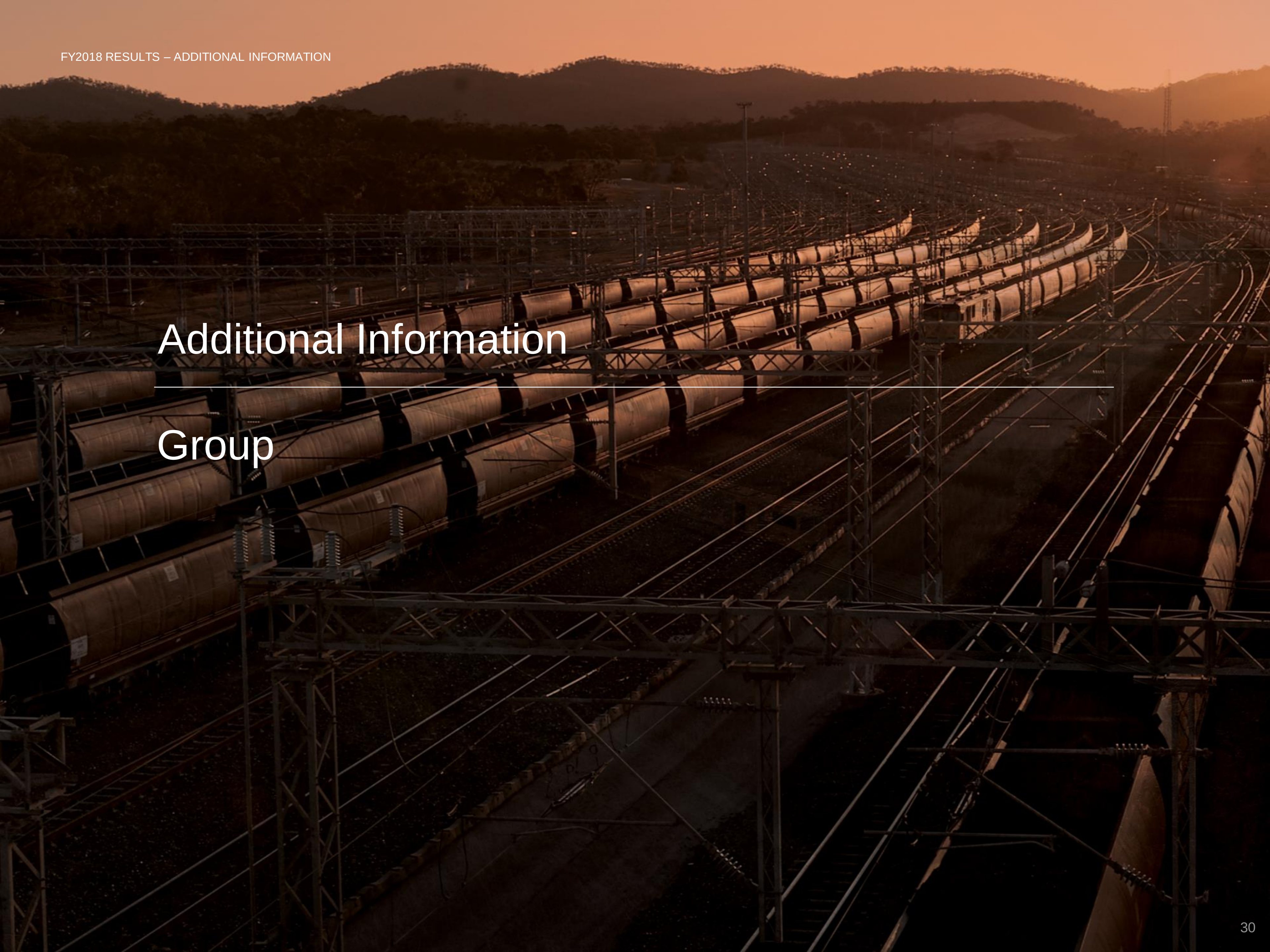
Operating
Cash flow
&
Net borrowings
(at ~40% targeted gearing)

Sustaining
&
Transformation
Capital

Dividends
(payout range 70-100%)

Surplus capital returns
(e.g. Buy-backs)

Growth capital
(only where it maximises shareholder value)



Additional Information

Group

Financial highlights[1] (underlying)

$m	FY2018	FY2017	Variance
Revenue	3,112.7	3,142.5	(1%)
Operating costs	(1,646.6)	(1,691.0)	3%
EBITDA	1,466.1	1,451.5	1%
EBIT	940.6	884.2	6%
NPAT	542.1	494.7	10%
EPS (cps)	26.9	24.1	12%
Total dividend (cps)	27.1	22.5	20%
ROIC	10.9%	9.3%	1.6ppt
Gearing	42.3%	39.6%	(2.7ppt)

1. Continuing Operations

EBIT by business unit (underlying)

$m	FY2018	FY2017	Variance
Coal	428.6	420.0	2%
Bulk	50.1	(14.4)	nm
Network	480.6	480.9	-
Other	(18.7)	(2.3)	(713%)
EBIT[1]	**940.6**	**884.2**	**6%**

1. Continuing Operations

AURIZON

Group operating highlights[1]

$m	FY2018	FY2017	Variance
Above Rail[2] Revenue / NTK ($/'000 NTK)	38.1	38.7	(2%)
Labour Costs[3] / Revenue	24.4%	24.7%	0.3ppt
NTK / FTE (MNTK)	13.2	12.5	6%
EBITDA Margin – Underlying	47.1%	46.2%	0.9ppt
Operating Ratio – Underlying	69.8%	71.9%	2.1ppt
NTK (bn)	63.8	63.0	1%
Tonnes (m)	267.1	256.5	4%
People (FTE)	4,835	5,024	4%

1. Continuing operations
2. Above Rail includes Coal & Bulk
3. Excludes redundancy costs

Other profit & loss (underlying)

$m	FY2018	FY2017	Variance
Revenue	90.8	107.0	(15%)
Total operating expenses[1]	(99.7)	(98.7)	(1%)
EBITDA	**(8.9)**	**8.3**	**nm**
Depreciation and amortisation	(9.8)	(10.6)	8%
EBIT	**(18.7)**	**(2.3)**	**(713%)**

1. FY2017 includes $26.4m one off overhead recovery from Aurizon Network to reflect the final UT4 decision in relation to the corporate cost allocation FY2014 and FY2015 true up

Quarterly above rail tonnes – June quarter 2018

	Quarter Ending					Quarter Jun-17 vs. Jun-18	Year Financial to date		Variance
	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	%	Jun-18	Jun-17	%
Coal volumes (mt)									
CQCN	31.7	39.7	38.1	35.8	38.9	23%	152.5	143.5	6%
NSW & SEQ	14.6	15.2	14.8	14.1	15.8	8%	59.9	54.7	10%
Total	**46.3**	**54.9**	**52.9**	**49.9**	**54.7**	**18%**	**212.4**	**198.2**	**7%**
Coal NTK (bn)									
CQCN	8.3	10.0	9.7	8.9	9.7	17%	38.3	36.8	4%
NSW & SEQ	2.9	3.1	3.0	2.9	3.1	7%	12.1	10.8	12%
Total	**11.2**	**13.1**	**12.7**	**11.8**	**12.8**	**14%**	**50.4**	**47.6**	**6%**
Bulk volumes (mt)	**14.0**	**14.2**	**14.3**	**12.9**	**13.3**	**(5%)**	**54.7**	**58.3**	**(6%)**
Bulk NTK (bn)	**3.6**	**3.5**	**3.5**	**3.0**	**3.4**	**(6%)**	**13.4**	**15.4**	**(13%)**
Total Above Rail Volumes (mt)	**60.3**	**69.1**	**67.2**	**62.8**	**68.0**	**13%**	**267.1**	**256.5**	**4%**
Intermodal (TEU '000s)	*99.1*	*105.9*	*81.4*	*38.4*	*40.3*	*(59%)*	*266.0*	*405.2*	*(34%)*

Balance sheet summary

$m	30 June 2018	30 June 2017
Assets classified as held for sale[1]	108.0	7.3
Other current assets	689.8	722.1
Property, plant & equipment	8,659.9	8,835.0
Other non-current assets	315.7	281.5
Total assets	**9,773.4**	**9,845.9**
Liabilities classified as held for sale	(12.7)	-
Other current liabilities	(727.2)	(665.2)
Total borrowings	(3,501.9)	(3,376.2)
Other non-current liabilities	(801.5)	(782.4)
Total liabilities	**(5,043.3)**	**(4,823.8)**
Net assets	**4,730.1**	**5,022.1**
Gearing - net debt / (net debt + equity)	**42.3%**	**39.6%**

1. $106m represents the assets related to discontinued operations at 30 June 2018

Reconciliation of borrowings

	$m	Commentary
Total debt including working capital facility	3,398.8	› Non-current debt on a Cash basis
Reconciliation to Financial Statements		
Add/(less):		
Capitalised transaction costs	(10.2)	› Transaction costs directly attributable to borrowings are capitalised to the balance sheet and amortised to the income statement in accordance with AASB 9, e.g. refinancing costs
Discounts on bonds	(13.1)	› Discounts on mid-term-notes capitalised to the balance sheet and unwound to the income statement in accordance with AASB 9
MTM adjustment on bonds	126.4	› Fair value hedge MTM adjustment on bonds in accordance with AASB 9
Total adjustments	103.1	
Total borrowings per financial report	**3,501.9**	› Current and non-current borrowings

Significant Items

This table represents items classified as significant and excluded from underlying earnings

$m	FY2018	FY2017	Variance
Continuing operations	**25.7**	**(759.8)**	**785.5**
Asset Impairments	(31.7)	(649.0)	617.3
Freight Management Transformation project	-	(64.0)	64.0
Assets in exit of contracts	-	(10.2)	10.2
Transformation – Assets	-	(48.9)	48.9
Bulk	(31.7)	(525.9)	494.2
Cliffs contract exit	34.5	-	34.5
Redundancy	22.9	(110.8)	133.7
Discontinued operations - Intermodal	**(74.7)**	**(167.2)**	**92.5**

Material items to note

$m	FY2018	FY2017	Variance
Redundancy expense	(17)	(5)	(12)
Long term and short term incentives	(38)	(42)	4
Employee Costs	**(55)**	**(47)**	**(8)**
Land rehabilitation	3	7	(4)
Employee Provisions	2	7	(5)
Non Cash Provisions	**5**	**14**	**(9)**
Bulk Capex write off	(10)	-	(10)
Total net impact	**(60)**	**(33)**	**(27)**

- Table represents items that are included in Underlying EBIT for the continuing operations
- This table is designed to assist investors to ‘normalise’ underlying earnings
- The movement in the land rehabilitation and employee provisions are half year-end non-cash adjustments and are impacted by the movement in discount rates

Redundancy cost breakdown

Year	Redundancy costs included in underlying EBIT ($m)	Redundancy costs classified as Significant items ($m)
FY2011	2	63
FY2012	15	-
FY2013	-	96
FY2014	-	69
FY2015	36	-
FY2016	24	-
FY2017	5	116
FY2018	17	(10)

- Redundancy costs since IPO have been included in underlying EBIT as well as classified as a significant item
- Aurizon classifies redundancy costs as significant in the notes to the financial statements, 4E, 4D and investor presentations when the amounts are considered material
- Redundancy costs are presented for total Group (Continuing and Discontinued operations)

Dividend history

	Payment Date	Amount per share (cents)	Franking	Payout Ratio
FY2018 Final	24 September 2018	13.1	60%	100%[1]
FY2018 Interim	26 March 2018	14.0	50%	100%[1]
FY2018 Total Dividend		**27.1**		
FY2017 Final	25 September 2017	8.9	50%	100%
FY2017 Interim	27 March 2017	13.6	70%	100%
FY2017 Total dividend		**22.5**		
FY2016 Final	26 September 2016	13.3	70%	100%
FY2016 Interim	29 March 2016	11.3	70%	100%
FY2016 Total dividend		**24.6**		
FY2015 Final	28 September 2015	13.9	30%	100%
FY2015 Interim	23 March 2015	10.1	0%	70%
FY2015 Total dividend		**24.0**		
FY2014 Final	22 September 2014	8.5	0%	70%
FY2014 Interim	28 March 2014	8.0	80%	65%
FY2014 Total dividend		**16.5**		
FY2013 Final	23 September 2013	8.2	90%	65%
FY2013 Interim	27 March 2013	4.1	70%	50%
FY2013 Total dividend		**12.3**		

The relevant final dividend dates are:

› Ex-dividend date 27 August 2018
› Record date 28 August 2018

1. Payout ratio on underlying NPAT for continuing operations

Additional Information

Coal

Coal strategic levers

Priorities are focussed on the Optimise and Excel levers to improve cost competitiveness, asset utilisation and delivery performance

OPTIMISE	EXCEL	EXTEND
Portfolio · Cost · Asset Utilisation	Precision operations · Customer engagement · Asset utilisation	Existing customers · Adjacencies · Supply chain management
1. Improve integrated planning and scheduling	1. Labour productivity through technology investments	1. Industry leading operating discipline
2. Progress fleet reliability program	2. Enable further maintenance improvements through predictive technology enhancements	2. Target ROIC accretive growth
3. Improve asset productivity and service delivery	3. Uplift leadership capability	

AURIZON

Coal profit & loss (underlying)

$m	FY2018	FY2017	Variance
Tonnes (m)	212.4	198.2	7%
Above Rail	1,207.8	1,156.8	4%
Track Access	598.1	630.3	(5%)
Other	7.3	7.9	(8%)
Total Revenue	**1,813.2**	**1,795.0**	**1%**
Operating Expenses	(1,202.0)	(1,191.3)	(1%)
EBITDA	**611.2**	**603.7**	**1%**
Depreciation and amortisation	(182.6)	(183.7)	1%
EBIT	**428.6**	**420.0**	**2%**
Operating Ratio	76.4%	76.6%	0.2ppt

Coal financial & operating metrics

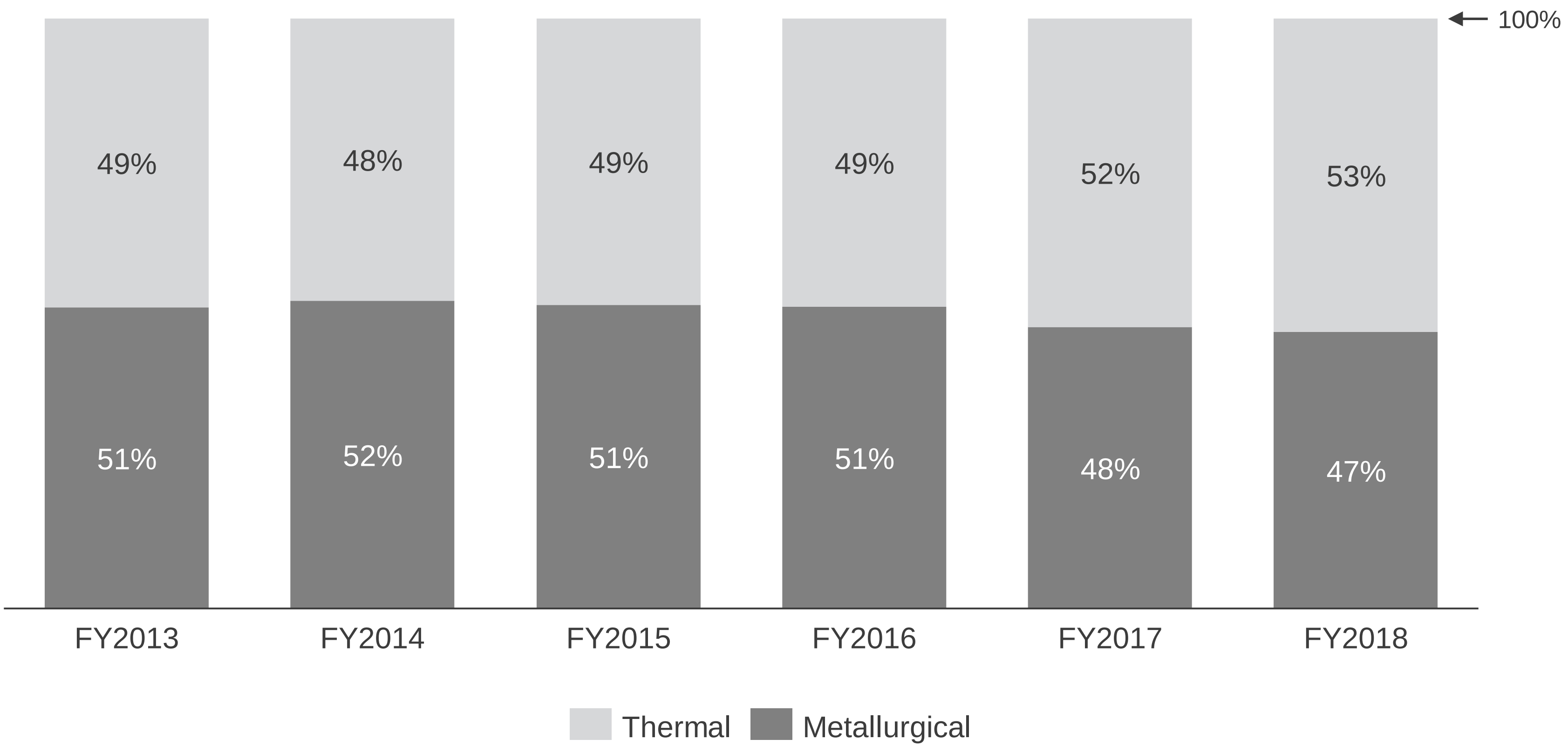
	FY2018	FY2017	Variance
Tonnes (m)	212.4	198.2	7%
NTKs (bn)	50.4	47.6	6%
Operating Ratio	76.4%	76.6%	0.2ppt
Above Rail Revenue /NTK ($/’000 NTK)	24.0	24.3	(1%)
Opex (excl access)/NTK ($/’000 NTK)	15.4	15.3	(1%)
Labour productivity (NTK/FTE)	29.1	28.0	4%
Locomotive Productivity (000’s NTK / Active loco days)	462.8	468.0	(1%)
Wagon Productivity (000’s NTK / Active loco days)	16.4	16.3	1%
Payload (tonnes)	7,447	7,430	-
Velocity (km/hr)	23.2	23.6	(2%)
Fuel Consumption (l/d GTK)	2.91	2.90	-
Contract Utilisation	93%	89%	4ppt

Coal haulage tonnes (mt) by system

	FY2018	FY2017	Variance
CQCN			
Newlands	20.4	17.8	15%
Goonyella	62.4	54.3	15%
Blackwater	58.5	59.4	(2%)
Moura	11.2	12.0	(7%)
Total CQCN	**152.5**	**143.5**	**6%**
NSW & SEQ			
West Moreton	7.6	7.0	9%
Hunter Valley	52.3	47.7	10%
Total NSW & SEQ	**59.9**	**54.7**	**10%**
Total Coal	**212.4**	**198.2**	**7%**

Coal haulage tonnes (mt)

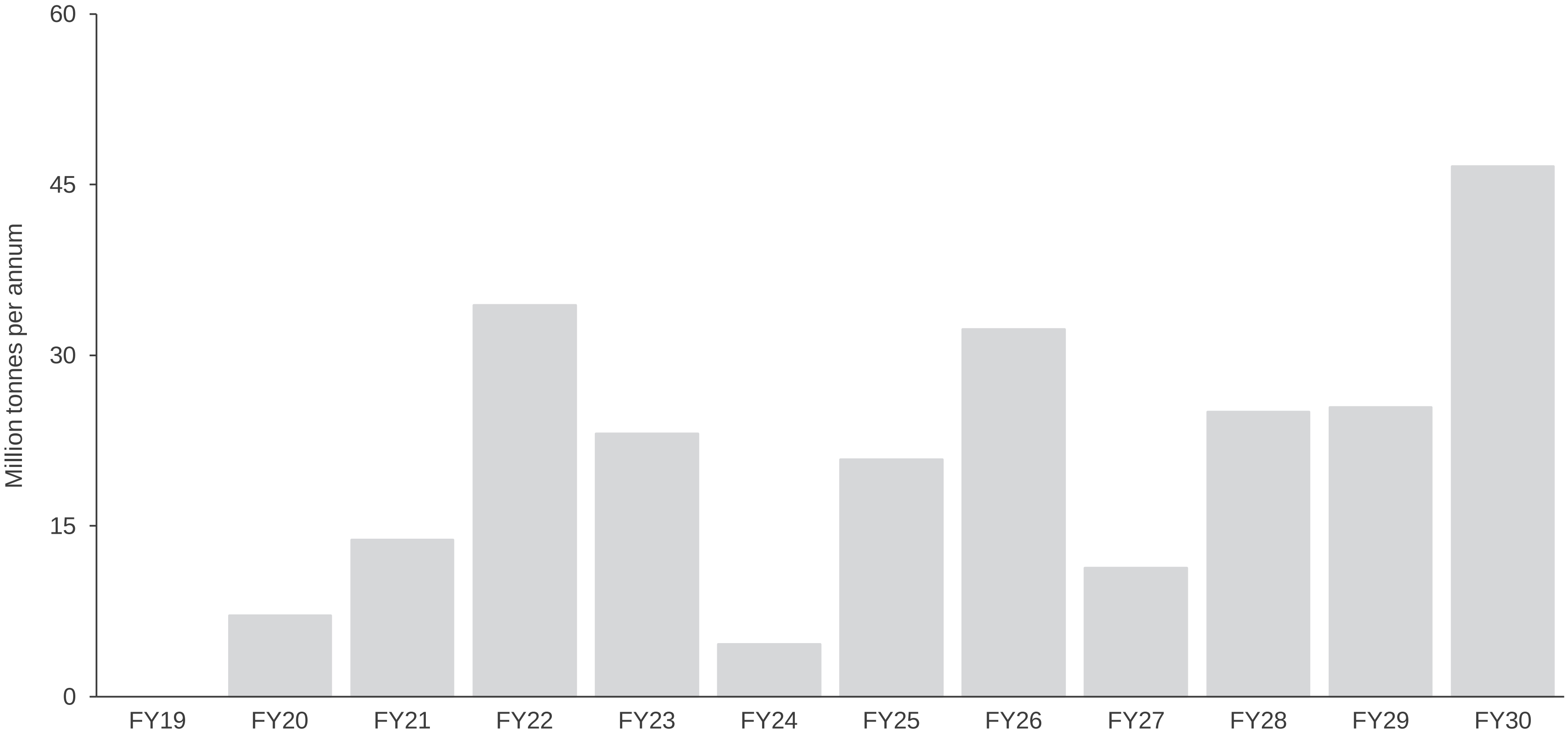
ABOVE RAIL COAL TYPE SPLIT (ESTIMATE)



Source : Aurizon analysis

Coal contract expiry

AURIZON COAL CONTRACT VOLUME EXPIRY BY YEAR (MTPA – AS AT 30 JUNE 2018)

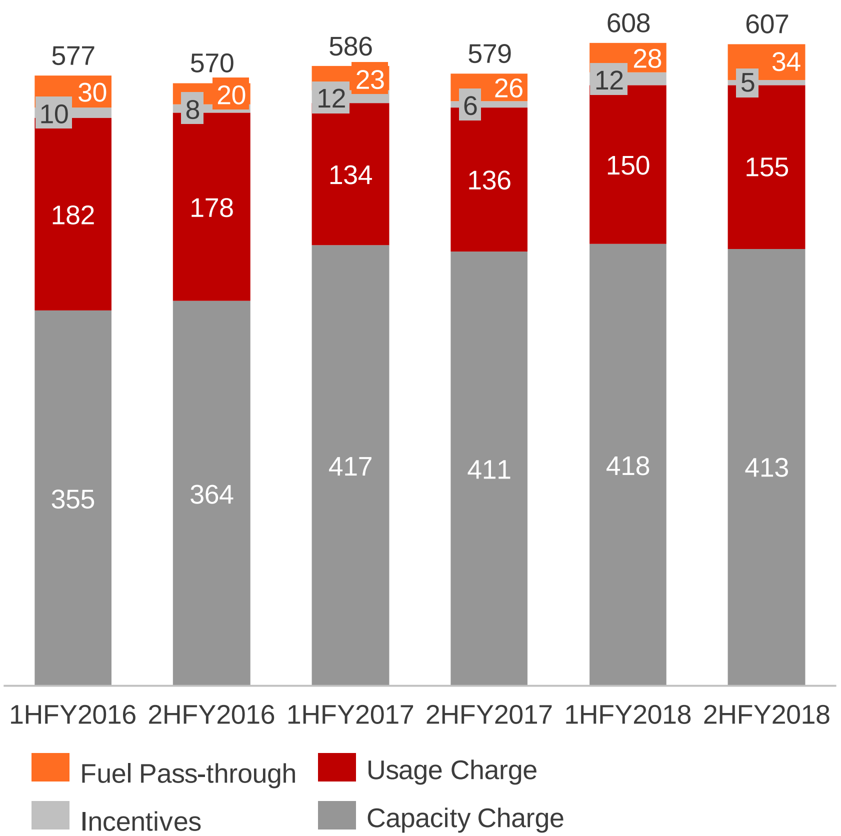


Notes:

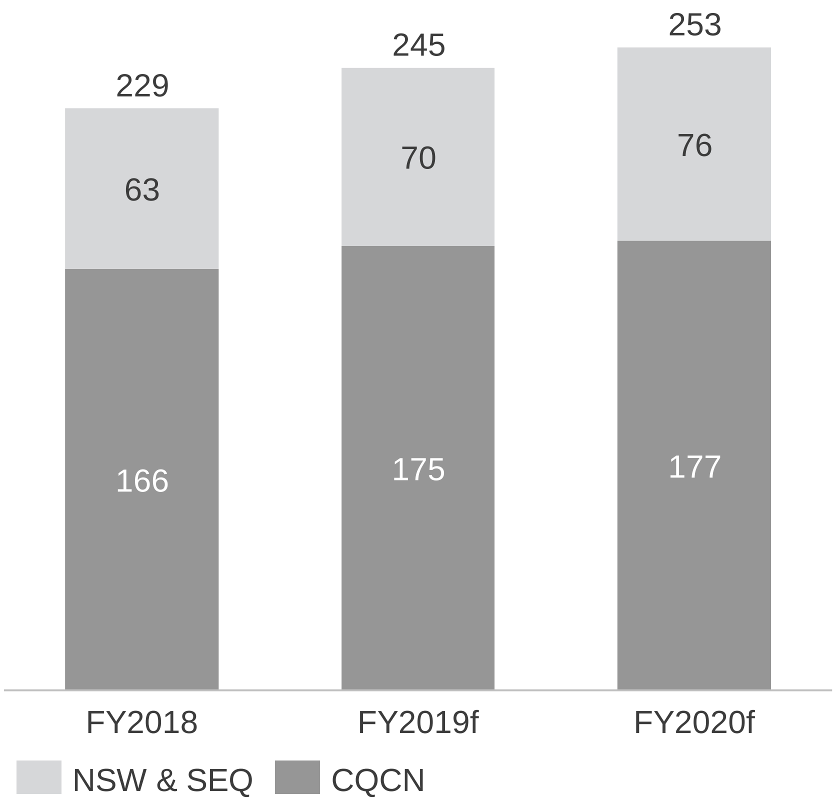
- This represents the maximum contracted tonnes as at 30 June 2018. Announced contract tonnages may not necessarily align with current contract tonnages.
- Incorporates contract extension options where applicable
- Includes immaterial variations to volume/term not announced to market

Coal revenue and contractual outlook

COAL ABOVE RAIL[1] REVENUE COMPOSITION



ANNUALISED FORECAST COAL CONTRACTED VOLUMES (MTPA)[2]

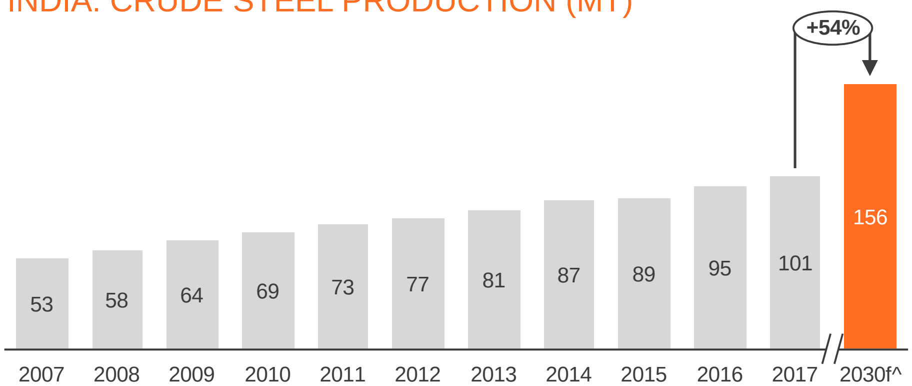


1. Excludes track access revenue
2. This represents the contracted tonnes as at 30 June 2018 and includes nominations, options or other uncertain events that have the potential to cause variance in our “contracted” tonnes

Australian export coal demand

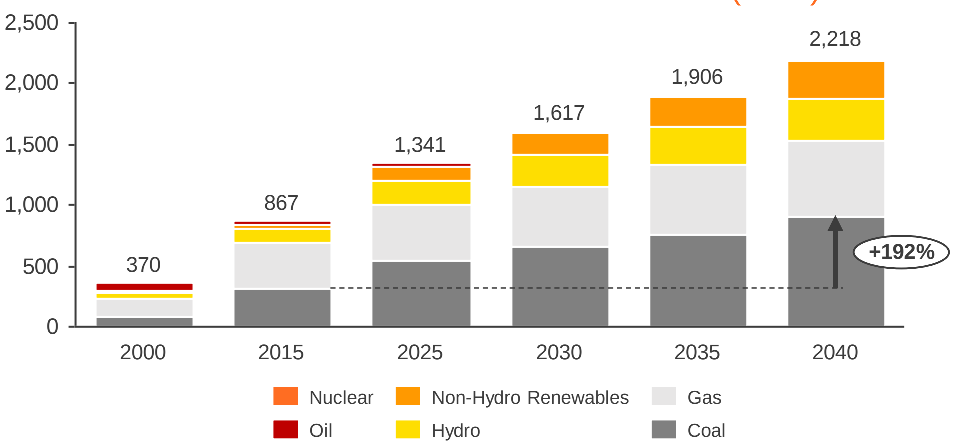
The fundamentals of metallurgical and thermal coal remain strong, driven by steel and energy demand growth in Asia, supporting growth in Australian exports of ~2% pa over the next decade

INDIA: CRUDE STEEL PRODUCTION (MT)



^Wood Mackenzie Global Coal Markets (2018 1H)

SOUTHEAST ASIA: ELECTRICITY GENERATION (TWh)



Source: India Crude Steel Production - World Steel (Steel Statistical Yearbook 2017), Wood Mackenzie Global Coal Markets (2018 1H). Southeast Asia Electricity Generation - International Energy Agency (World Energy Outlook 2017, New Policies Scenario).

Metallurgical Coal

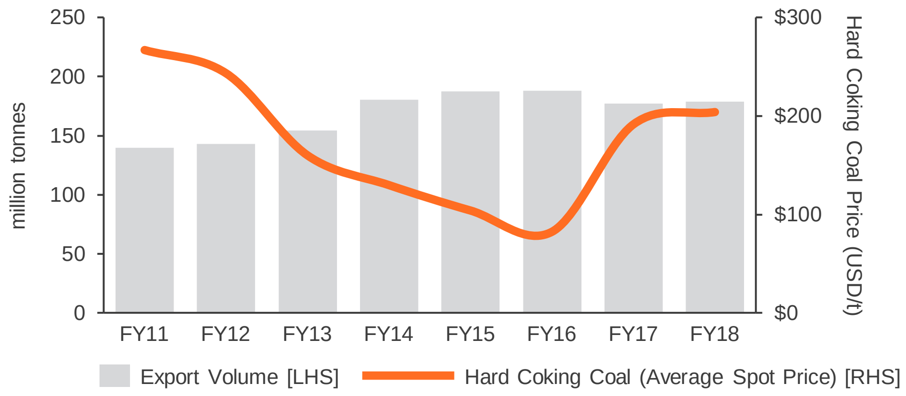
- Steel production drives demand
- India reached over 100 million tonnes of crude steel production for the first time in 2017 and was the largest export market for Australian metallurgical coal in FY2018
- Investment in infrastructure and manufacturing in India will continue to drive demand for steel and therefore metallurgical coal

Thermal Coal

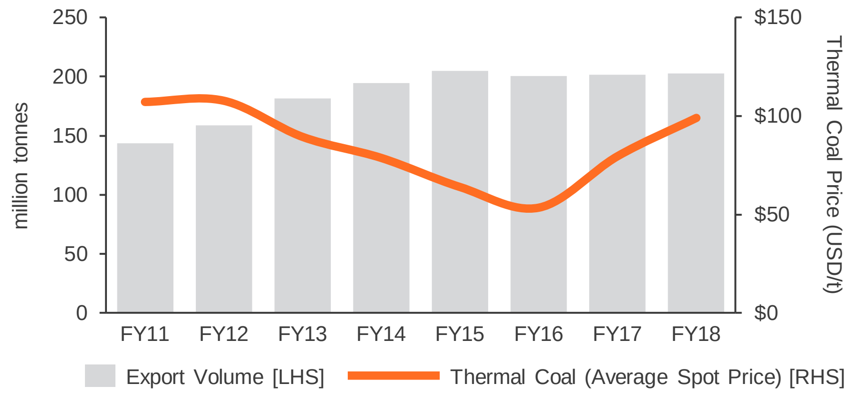
- Energy generation drives demand
- Over 95% of Australian thermal coal exports are destined for Asia. It is this region that continues to add energy generation capacity.
- The International Energy Agency estimates Southeast Asia's coal-fired electricity generation to increase by 192% between 2015 to 2040
- It is recognised that renewable energy will increase in the energy mix over the long term however, thermal coal will remain and is expected to grow in absolute terms, in key export nations such as Australia

Coal market: Australia

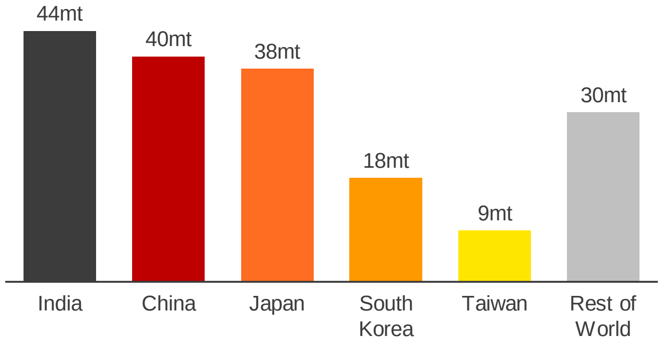
AUSTRALIA: METALLURGICAL COAL EXPORT



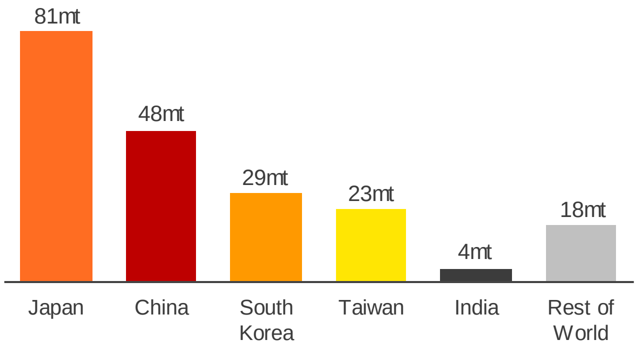
AUSTRALIA: THERMAL COAL EXPORT



AUSTRALIA: METALLURGICAL COAL EXPORT (FY2018)



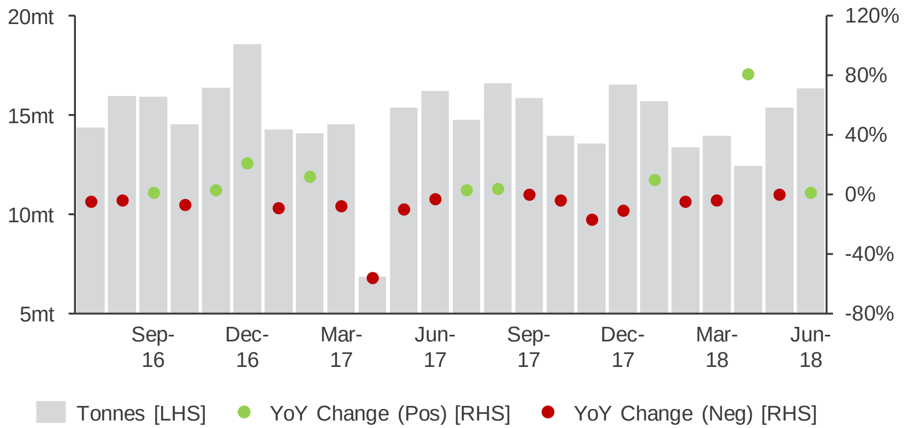
AUSTRALIA: THERMAL COAL EXPORT (FY2018)



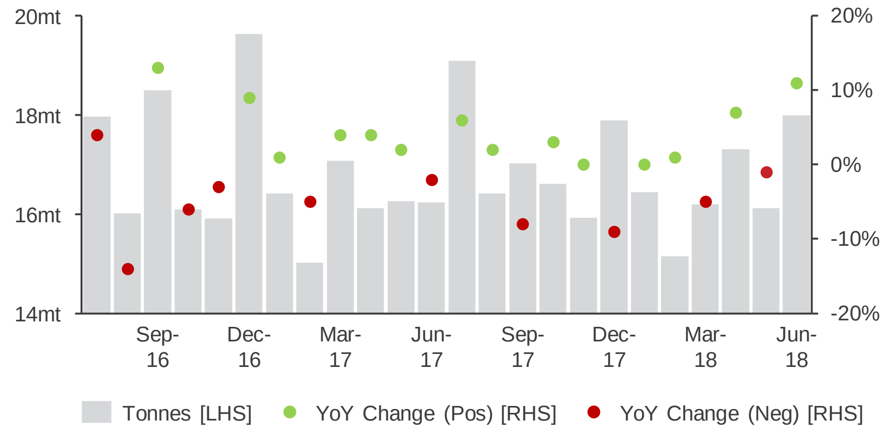
Source: Australian Bureau of Statistics, Platts, Intercontinental Exchange. Hard Coking Coal price refers to Peak Downs Region product. Thermal Coal price refers to Newcastle 6,300 Gross As Received product.

Coal trade

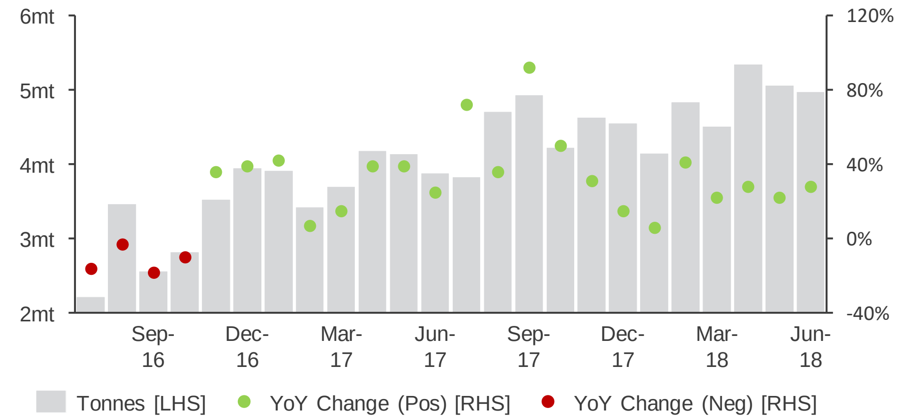
AUSTRALIA: METALLURGICAL COAL EXPORT



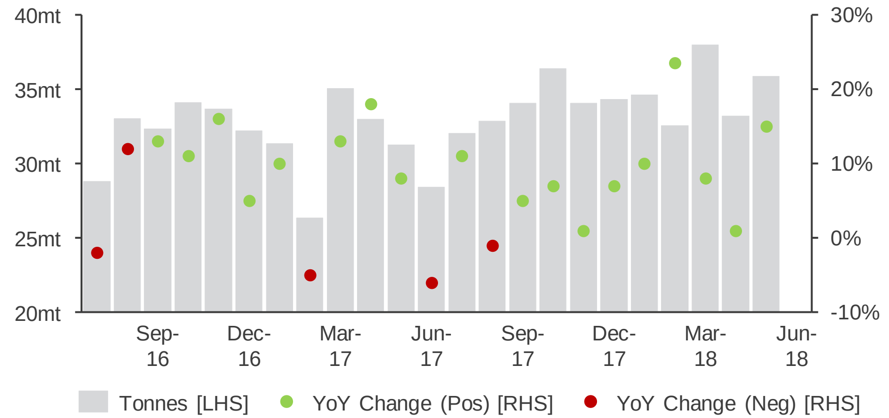
AUSTRALIA: THERMAL COAL EXPORT



UNITED STATES: METALLURGICAL COAL EXPORT



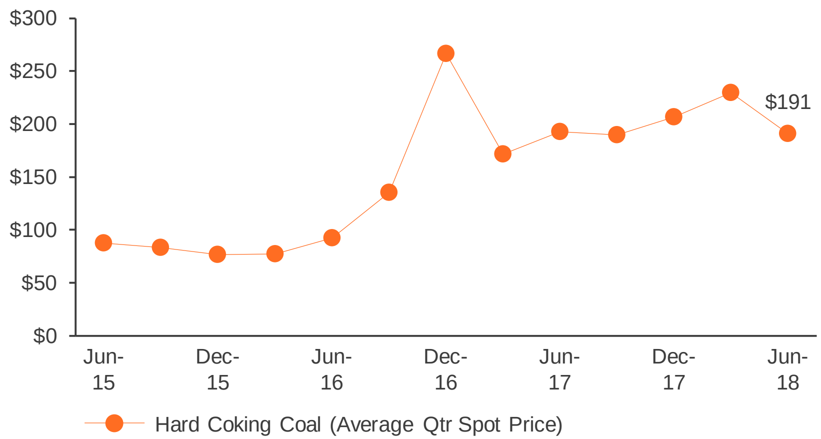
INDONESIA: ALL COAL TYPES EXPORT



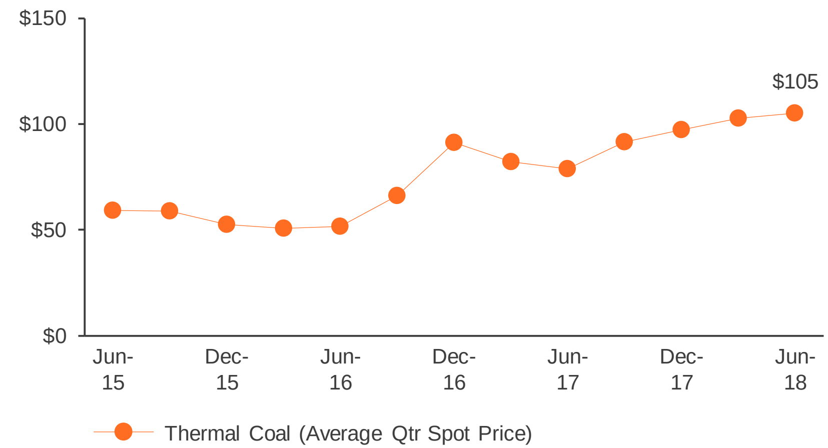
Source: Australian Bureau of Statistics, United States Import and Export Merchandise Trade Statistics, CEIC, Blank series indicates data not available

Coal Price | Coal Capital & Exploration Expenditure

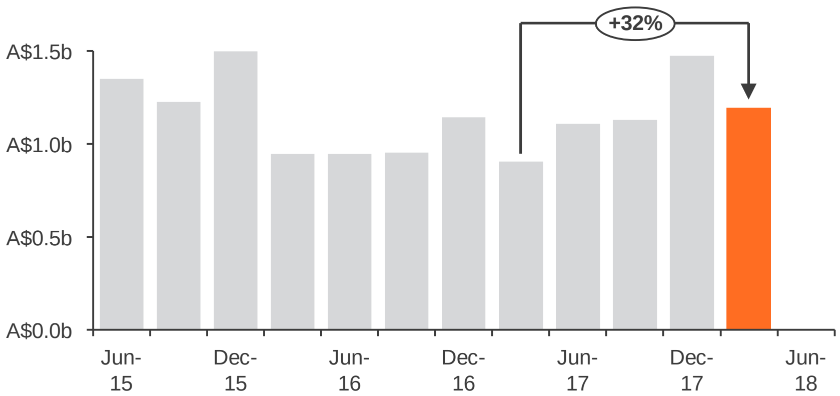
HARD COKING COAL SPOT PRICE (US$/t FOB)



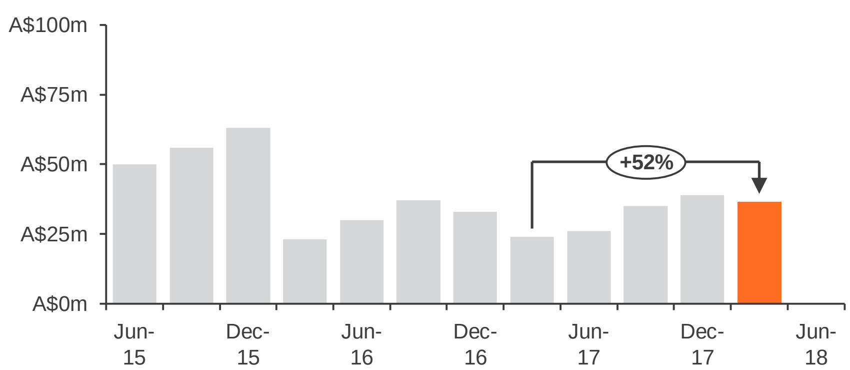
THERMAL COAL SPOT PRICE (US$/t FOB)



COAL CAPITAL EXPENDITURE



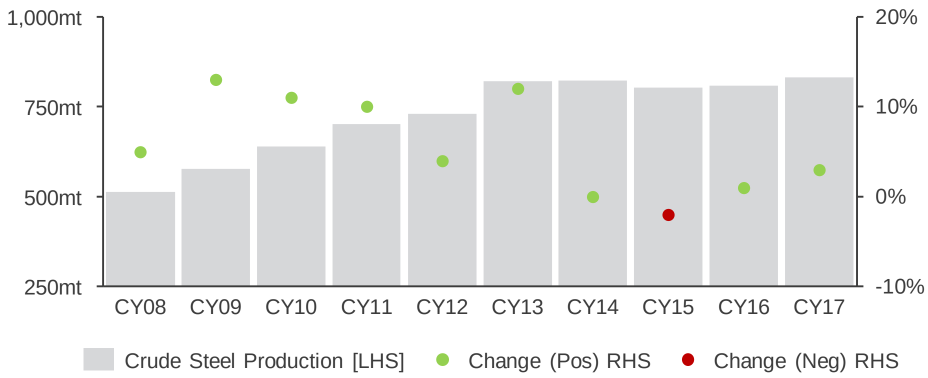
COAL EXPLORATION EXPENDITURE



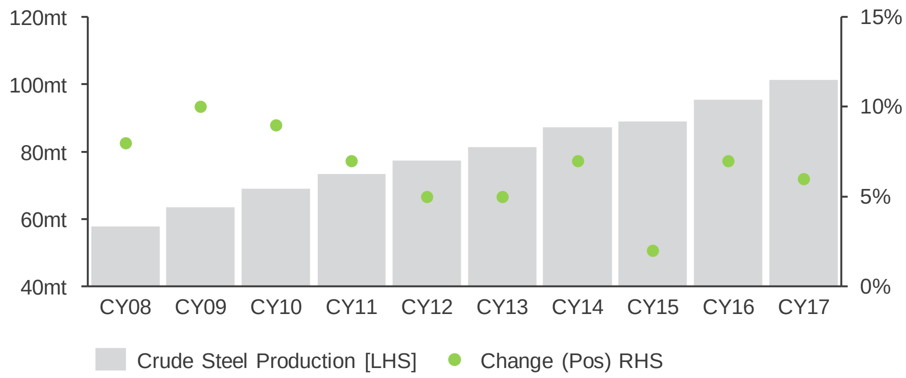
Source: Spot prices – Platts, Intercontinental Exchange. Hard Coking Coal price refers to Peak Downs Region product. Thermal Coal price refers to Newcastle 6,300 Gross As Received product., Coal Capital & Exploration expenditure – Australian Bureau of Statistics, Blank series indicates data not available

Coal demand

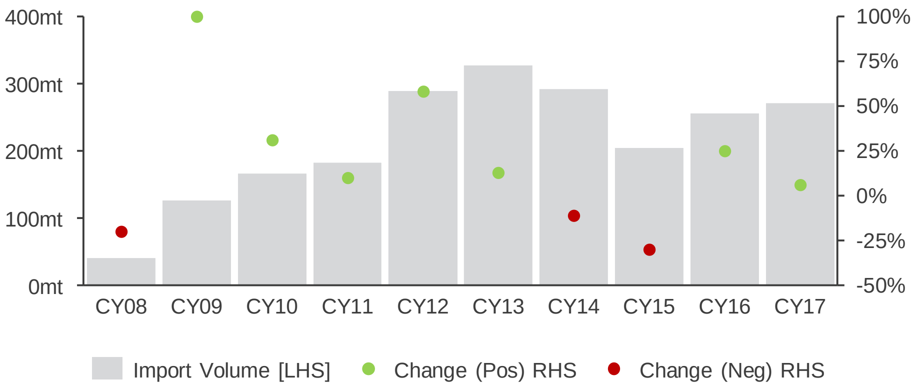
CHINA CRUDE STEEL PRODUCTION



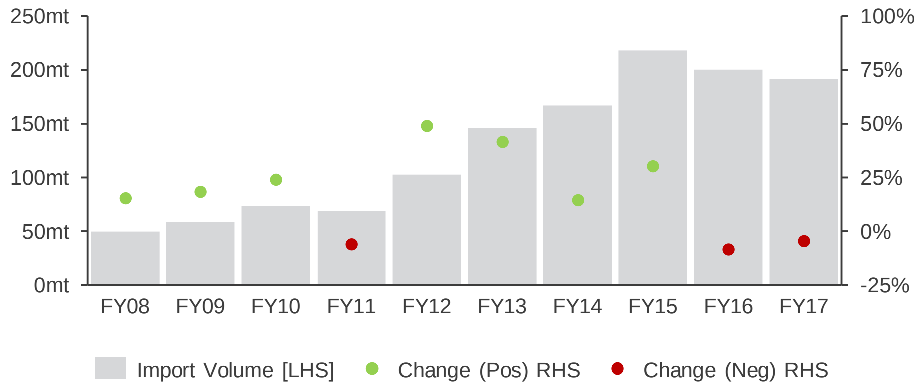
INDIA CRUDE STEEL PRODUCTION



CHINA TOTAL COAL IMPORTS



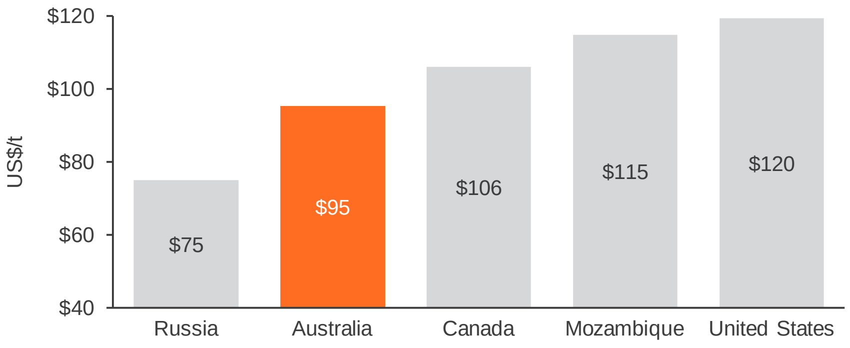
INDIA TOTAL COAL IMPORTS



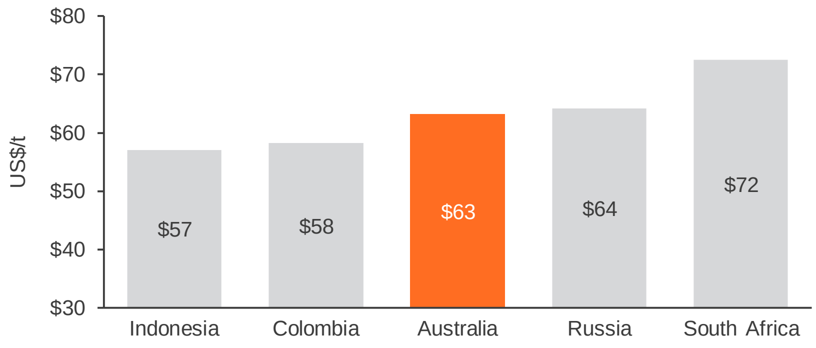
Source: CEIC, World Steel, India Ministry of Coal, Provisional Coal Statistics 2016-17. Note: Indian Financial year is April to March

Australia coal competitiveness

METALLURGICAL COAL CASH COSTS (US$/t, CFR INDIA, 2018)

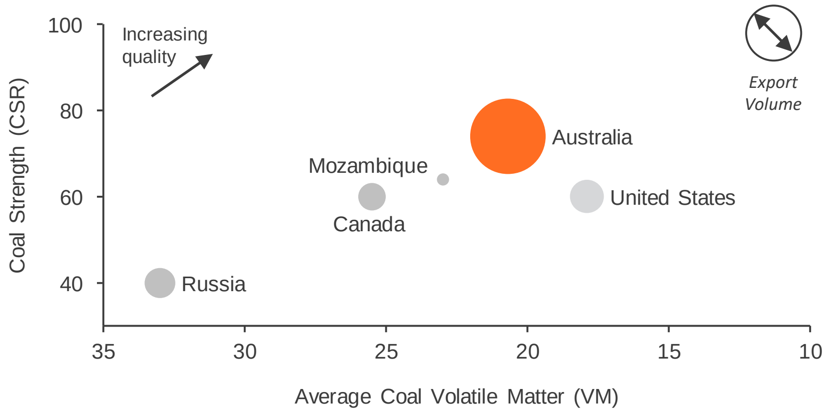


THERMAL COAL CASH COSTS (US$/t, CFR JAPAN, 2018)

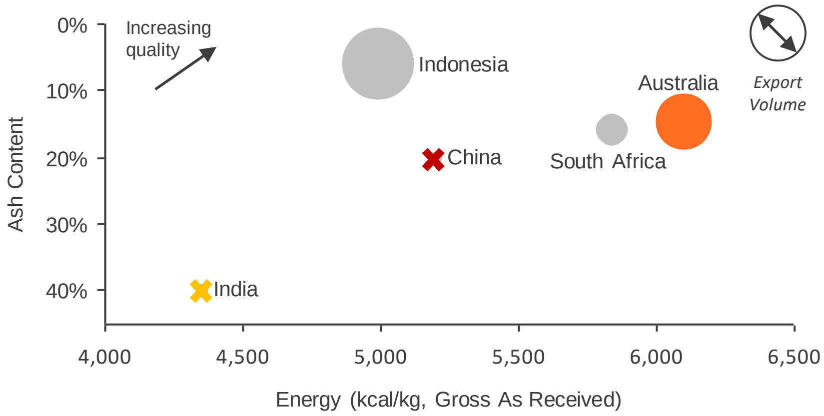


Note: Thermal Cash Costs are energy-adjusted to 6,300kcal/kg (Gross As Received)

METALLURGICAL COAL QUALITY



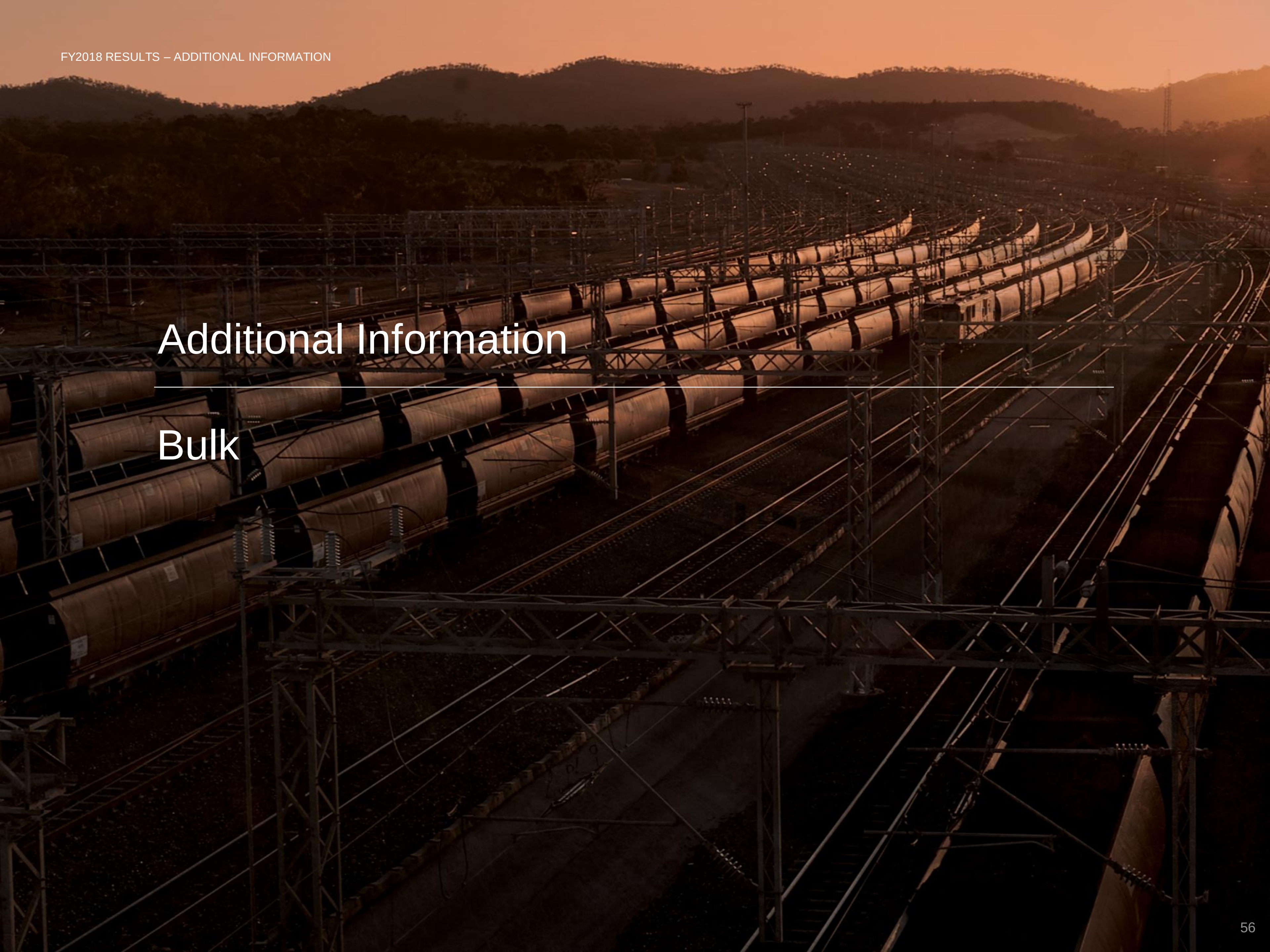
THERMAL COAL QUALITY



Cost Curves Source: Wood Mackenzie Coal Cost Curves (May 2018), Wood Mackenzie Global Coal Markets Tool (2018 1H), Sea freight export terminal assumptions: US – East Coast, Canada – West Coast, Australia - Hay Point (metallurgical) & Newcastle (Thermal), Russia - East. Metallurgical Coal Quality Source: Wood Mackenzie Global Coal Markets Tool (2018 1H). Thermal Coal Quality Sources: Wood Mackenzie Coal Cost Curves (2018, May 2018 data), Wood Mackenzie Coal Supply Data Tool (Q2 2018), India Ministry of Coal Provisional Coal Statistics 2016-17, IEA Coal Medium-Term Market Report 2016, Indonesia Coal Mining Association, Richards Bay benchmark specifications (Platts)

Additional Information

Bulk



AURIZON

Bulk strategic levers

The plan to optimise the business is in execution. Focus now turns to the Excel and Extend levers to drive the turnaround plan

OPTIMISE

Portfolio | Cost | Service delivery

1. Cost reduction in delivery
2. Aligning portfolio as per Freight Review
3. Stabilise service delivery and increase performance focus

EXCEL

Precision operations | Customer engagement | Asset utilisation

1. Deeper understanding of customers and markets
2. Driving continuous improvement & delivery performance
3. Early involvement in supply chain design

EXTEND

Existing customers | Adjacencies | Supply chain management

1. Identifying strategic partnerships
2. Preparing for additional supply chain services
3. Executing prioritised growth plans

AURIZON

Update on the plan

Bulk is delivering on its plan to strengthen its haulage portfolio

OPTIMISE

	INITIAL REVIEW	1HFY2018		TODAY
1 RETAIN	5	8		9
• Benefit from ongoing transformation		**Cement Australia** **MMG** **KAL Freighter**	**IPL Fertilizer & IPL Acid**	
2 TRANSFORM	7	4		2
• Improve commercial returns • Benefit from ongoing transformation				
3 EXIT/LOSS	5	1	**GrainCorp**	2
• No pathway to improved returns/loss to competition				
TOTAL HAULS	**17**	**13**		**13**

17 hauls were part of the initial freight review and excluded the 3 iron ore contracts. With cessation of Cliffs and Mt Gibson, Bulk will be operating 1 iron ore contract from mid FY2019

AURIZON

Bulk profit & loss (underlying)

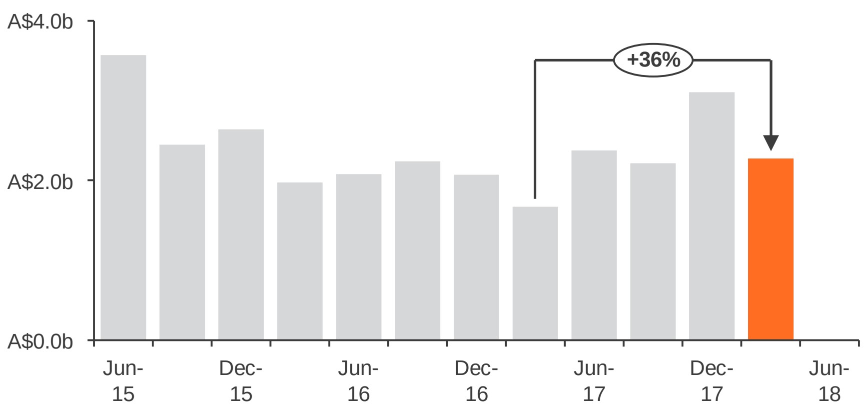
$m	FY2018	FY2017	Variance
Tonnes (m)	54.7	58.3	(6%)
Total Revenue	618.1	645.2	(4%)
Total operating expenses	(542.9)	(586.1)	7%
EBITDA	**75.2**	**59.1**	**27%**
Depreciation and amortisation	(25.1)	(73.5)	66%
EBIT	**50.1**	**(14.4)**	**nm**
Operating Ratio	91.9%	102.2%	10.3ppt

Bulk financial and operating metrics

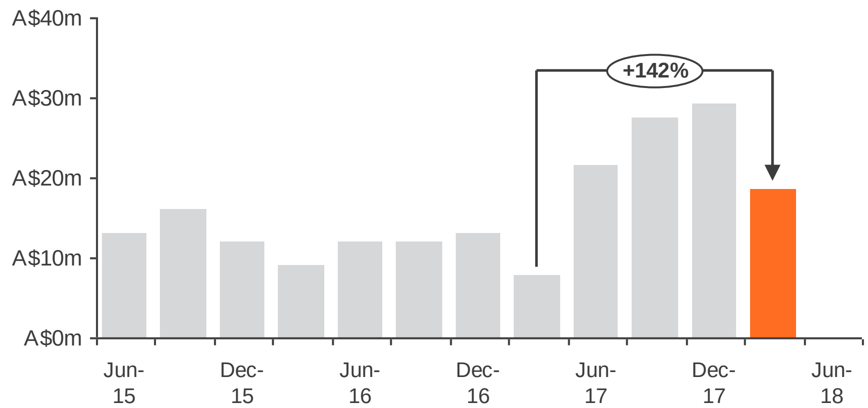
$m	FY2018	FY2017	Variance
Tonnes (m)	54.7	58.3	(6%)
NTKs (bn)	13.4	15.4	(13%)
Operating Ratio	91.9%	102.2%	10.3ppt
Total Revenue / NTK ($000 NTK)	46.1	41.9	10%
Opex (excl access)/NTK ($/'000 NTK)	30.3	31.1	3%
Labour productivity (NTK/FTE)	14.8	14.4	3%
Fuel Consumption (l/d GTK)	3.01	3.06	2%
Order Fulfilment (%)	98.0%	98.2%	(0.2ppt)

Australia Capital & Exploration Expenditure – Metal Ore

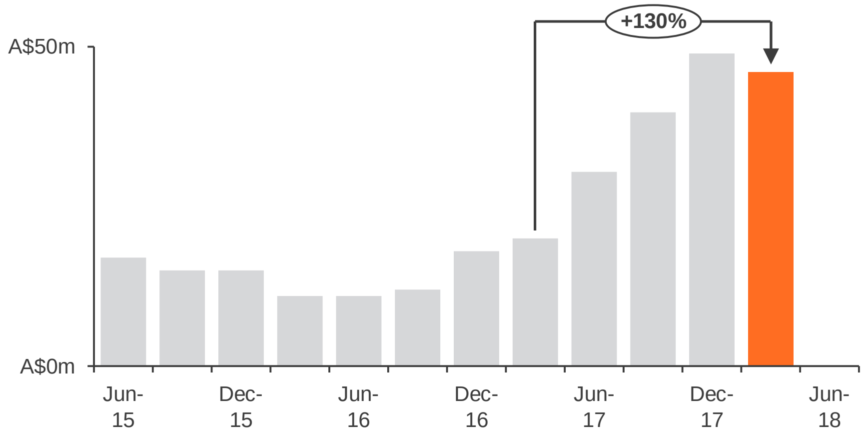
CAPITAL EXPENDITURE: METAL ORE MINING^



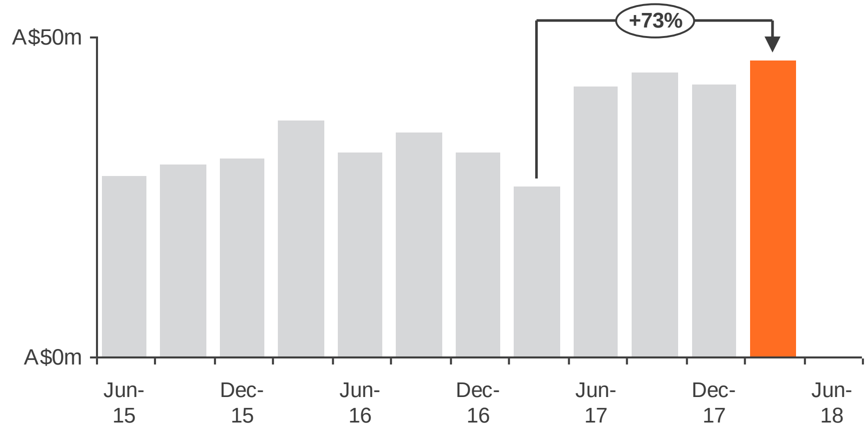
EXPLORATION EXPENDTURE: SILVER, LEAD, ZINC



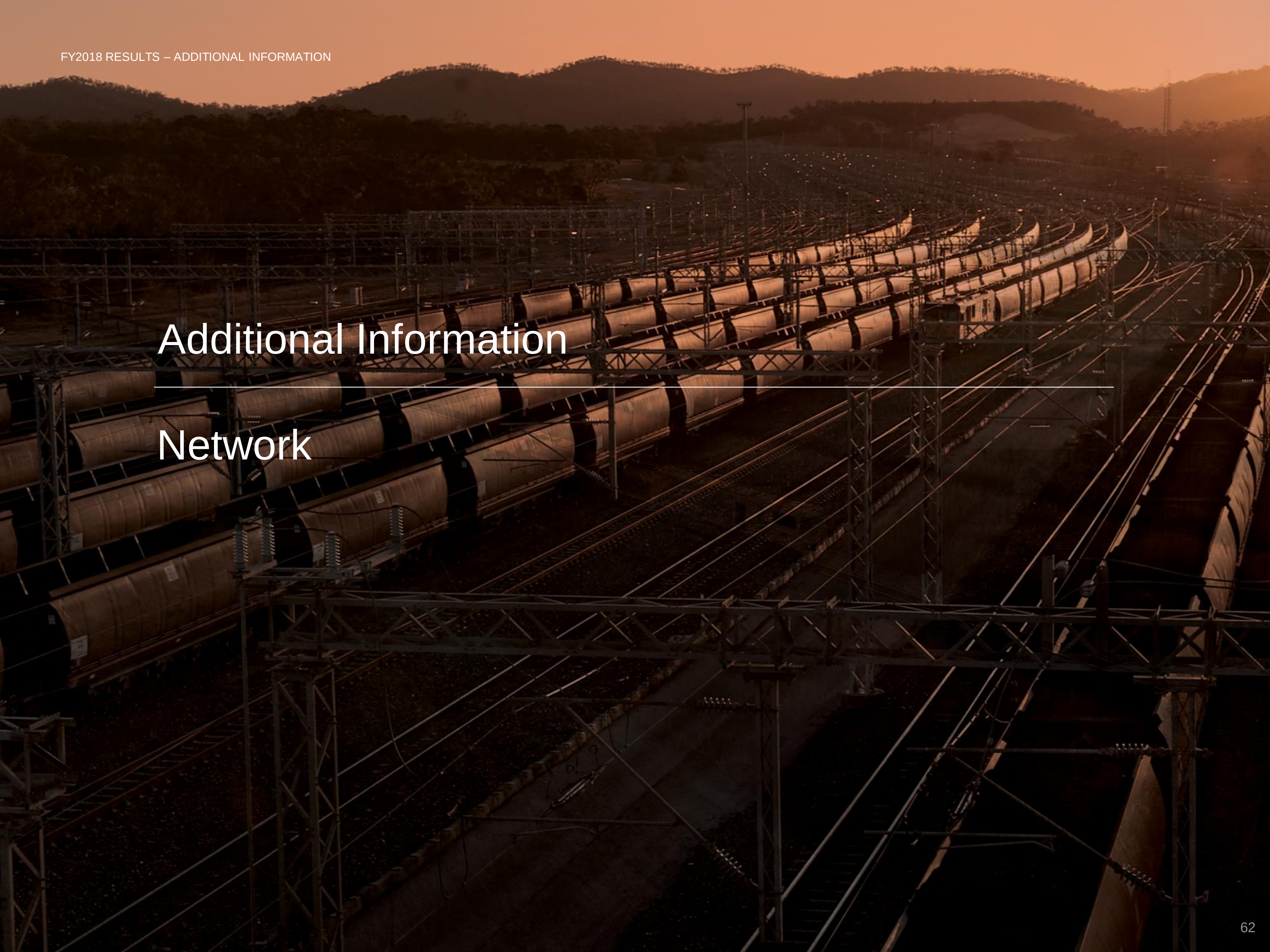
EXPLORATION EXPENDITURE: NICKEL & COBALT



EXPLORATION EXPENDITURE: COPPER



Source: Australian Bureau of Statistics , Note: ^Metal Ore Mining includes: Iron ore, Bauxite, Copper, Gold, Mineral Sand, Nickel, Silver, Lead, and Zinc ore mining. Blank series indicates data not available

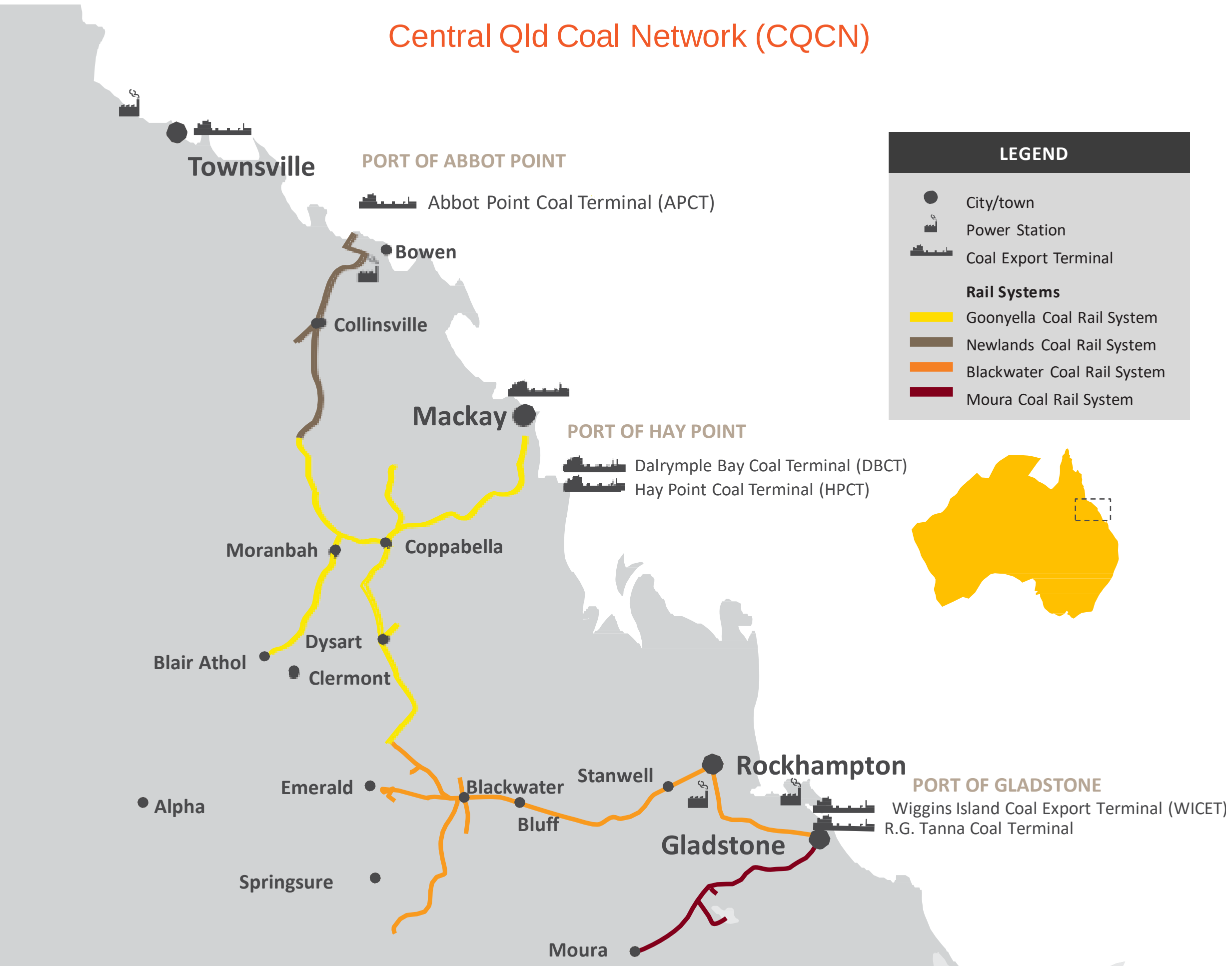


Additional Information

Network

Network snapshot

Central Qld Coal Network (CQCN)



1. Estimate as at 1 July 2018 - excludes $0.4bn in assets operating under an Access Facilitation Deed (AFD).

KEY NETWORK FACTS

40 + operating coal mines serviced	
Open access network with three above rail coal operators – Aurizon Operations, Pacific National and BMA Rail	
70 services per day	
229.6mt coal moved in FY2018	
The CQCN comprises four major coal systems and one connecting system link serving Queensland's Bowen Basin coal region: Newlands, Goonyella, Blackwater and Moura with GAPE the connecting system link	
Five export terminals at 3 ports	
One control centre	
Track	2,670 km
Electrified track	2,000 km
It is estimated the value of the regulated Asset Base (RAB) will be $5.8bn(1) as at 1 July 2018	

Network strategic levers

Priorities are focused on the development of a fit for purpose network that creates value and facilitates changing the regulatory environment for the benefit of all

OPTIMISE

UT5 solution	Fit for purpose operations	Capability

1. Alignment of resources to the UT5 draft decision
2. Supply chain productivity
3. Network cost efficiencies

EXCEL

Customer solutions	Regulatory framework

1. Regulatory reform
2. Tailored asset and capacity management
3. Build system and people capability

EXTEND

Existing customers	Adjacencies	New markets

1. Opportunistic expansion of CQCN
2. Supply chain alignment
3. Growth outside CQCN

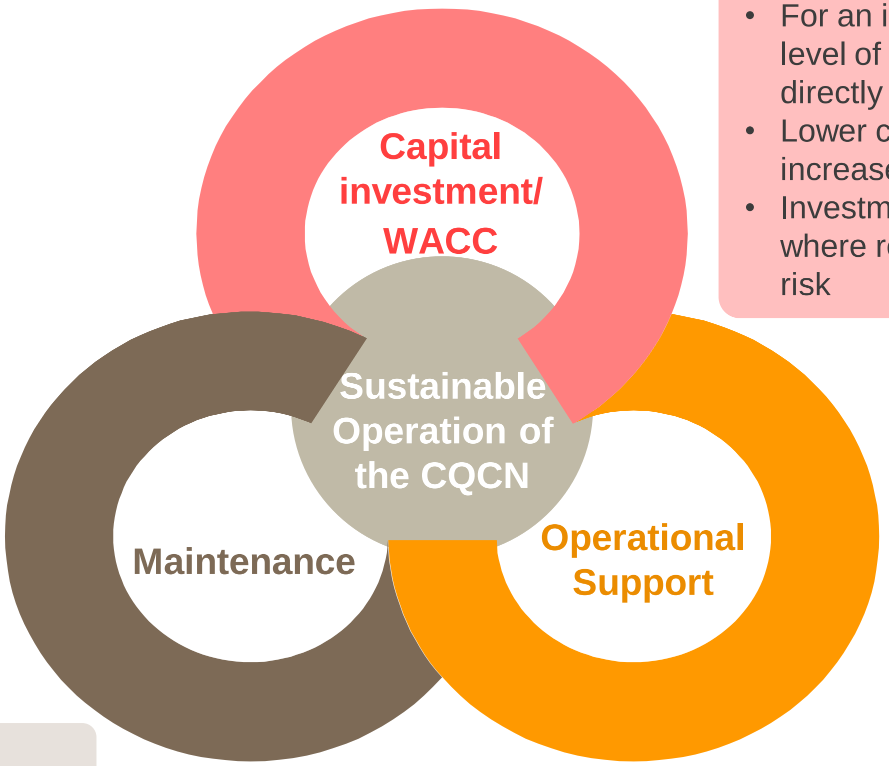
Network context - UT5 draft decision recap

	AURIZON NETWORK UT5 SUBMISSION	QCA DRAFT DECISION	AURIZON NETWORK'S RESPONSE TO DRAFT DECISION
Total Adjusted MAR	4,892	3,893	4,757
WACC (post tax nominal vanilla)	6.78%	5.41%	7.03%
Inflation	1.22%	2.37%	2.30%
WACC (post tax real vanilla)	5.49%	2.97%	4.62%
Blended tariff ($/net tonne)	$5.36	$3.86	$4.90

Risk, capital and maintenance

Operation of the CQCN to deliver optimal value to all stakeholders requires the appropriate balance of investment, maintenance and operational support

- For an infrastructure asset, the level of capital investment is directly related to its reliability
- Lower capex generally will result in increased maintenance
- Investment is incentivised only where return is commensurate with risk



- Where reduced investment results in increased maintenance, these activities will consume more resources in order to preserve reliability

Operational response to the UT5 draft decision

Operating and maintenance practices and risk tolerance have been aligned to those assumed in the draft decision due to the retrospectivity of UT5 to 1 July 2017

EXAMPLES OF CHANGES

Adherence to the plan

- No deviation from the plan (excluding emergencies)
- Where trains are not running to plan, planned maintenance activities will continue as scheduled and take priority

Overlength train trials

- 124 wagon Newlands and 120 wagon Blackwater trials have ceased
- Overlength trains require a high level of flexibility in the system which cannot be facilitated in the new environment

Track defects

- Generally practice will focus on permanent rather than temporary rectification work, for example:
  - Rail breaks
  - Ballast and formation defects

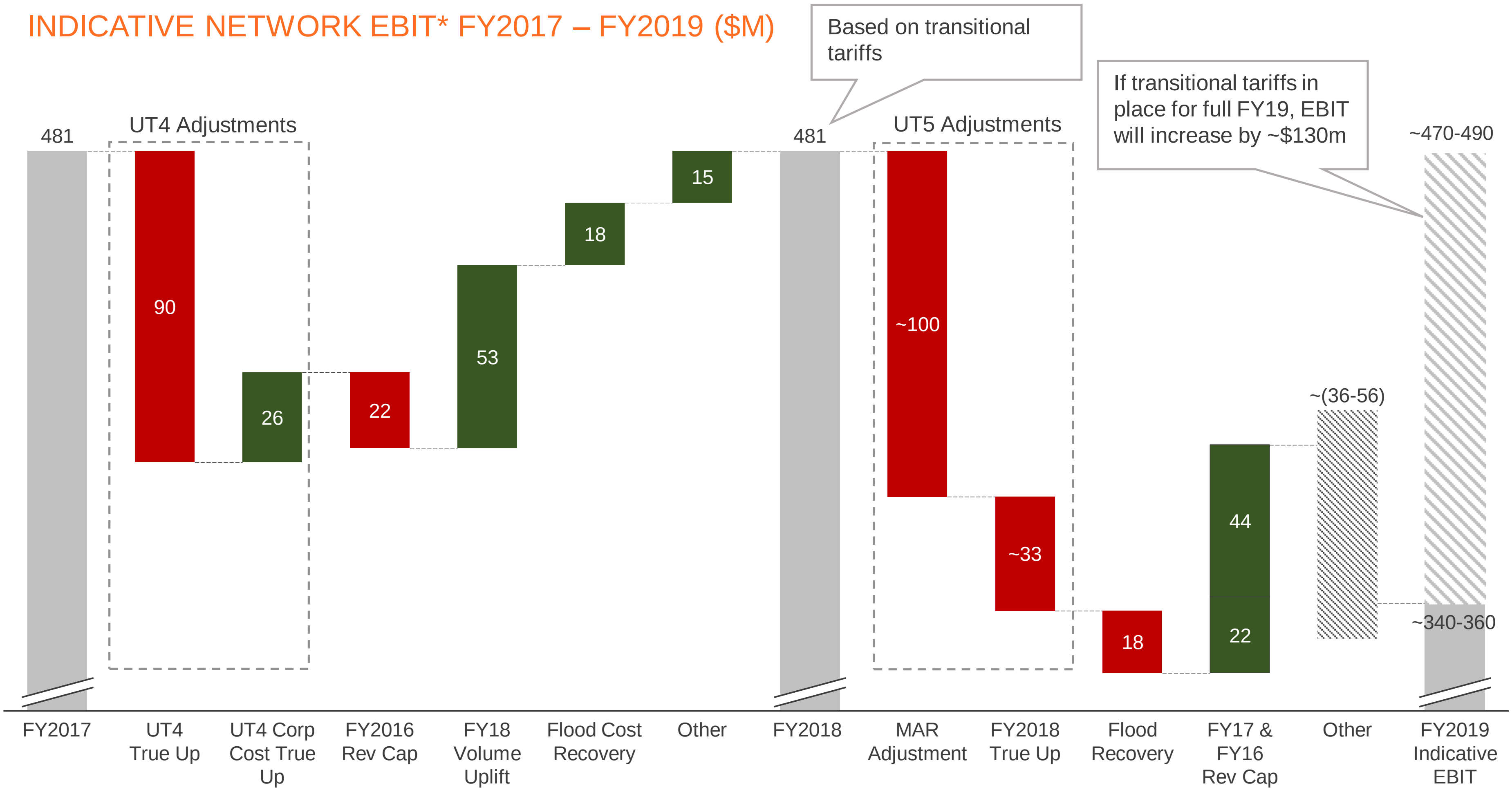
Capital Expenditure

- Reviewed capital expenditure to align with the risk tolerance assumed in the draft decision WACC and the delivery of a safe and reliable network

Network EBIT Bridge

Worst case scenario assumes final UT5 decision equals the UT5 draft decision

INDICATIVE NETWORK EBIT* FY2017 – FY2019 ($M)



*This is not guidance. Based on TT volumes of 244mt for FY19

Network profit & loss (underlying)

$m	FY2018	FY2017	Variance
Tonnes (m)	229.6	210.8	9%
Access Revenue	1,167.1	1,199.9	(3%)
Services and other	51.6	62.2	(17%)
Total Revenue	**1,218.7**	**1,262.1**	**(3%)**
Operating costs	(430.1)	(481.7)	11%
EBITDA	**788.6**	**780.4**	**1%**
EBITDA margin	64.7%	61.8%	2.9ppt
Depreciation and amortisation	(308.0)	(299.5)	(3%)
EBIT	**480.6**	**480.9**	-
Operating Ratio	60.6%	61.9%	1.3ppt

Network financial and operating metrics

	FY2018	FY2017	Variance
Tonnes (m)	229.6	210.8	9%
NTK (bn)	56.9	53.2	7%
Operating Ratio	60.6%	61.9%	1.3ppt
Maintenance/NTK ($/’000 NTK)	2.2	2.3	4%
Opex/NTK ($/’000 NTK)	13.0	14.7	12%
Cycle Velocity (km/hr)	23.5	23.5	-
System Availability	82.0%	83.7%	(1.7ppt)
Average Haul Length (km)	247.7	252.3	(2%)

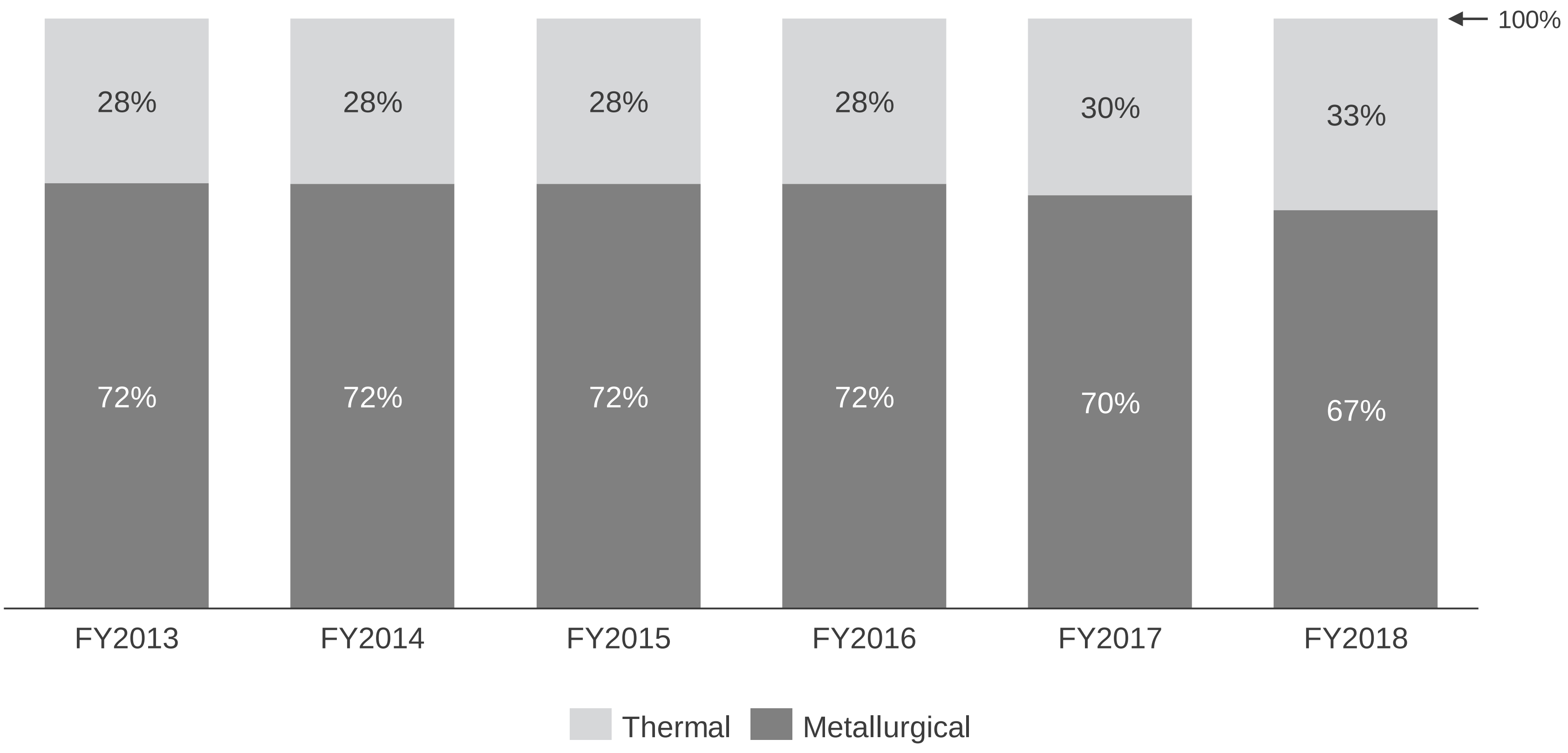
Network volumes[1] (mt)

	FY2018	FY2017	Variance
Newlands	13.1	12.0	9%
Goonyella	126.5	111.1	14%
Blackwater/WIRP	62.7	62.2	1%
Moura	11.1	12.2	(9%)
GAPE	16.2	13.3	22%
Total	**229.6**	**210.8**	**9%**
Average haul length[2] (kms)	247.7	252.3	(2%)

1. Table represents coal tonnes hauled on the CQCN by all operators
2. Defined as NTK/Net tonnes

Network volumes[1] (mt)

NETWORK COAL TYPE SPLIT (ESTIMATE)



1. Represents coal tonnes hauled on the CQCN by all operators

Source : Aurizon analysis

Network revenue adjustment amounts (revenue cap)

Financial Year	AT_{2-4} (diesel tariff) $m	AT_5 (electric tariff) $m	Total $m
2018[1]	~(13)[2]	~5	~(8)[2]
2017[3]	30.7	14.2	44.9
2016[3]	(26.7)[2]	3.1	(23.6)[2]
2015	(29.0)[2]	(2.7)[2]	(31.7)[2]
2014	17.9	(9.8)[2]	8.1
2013[3]	32.8	12.7	45.5
2012	3.2	13.4	16.6
2011	23.2	36.3	59.5

- Revenue adjustment amounts (RAA) are the difference by system between Aurizon's Total Actual AT_{2-5} Revenue and Allowable AT_{2-5} Revenue
- RAA also includes adjustments for maintenance and consumer price index (MCI/CPI), rebates, energy connection costs and other costs recoverable in accordance with Schedule F of the Access Undertaking.
- The RAA amounts are collected or repaid through a tariff adjustment two years later
- All (except FY2018) revenue adjustment amounts include cost of capital adjustments. FY2016 and FY2017 RAA will be amended following the final decision on the UT5 weighted average cost of capital.

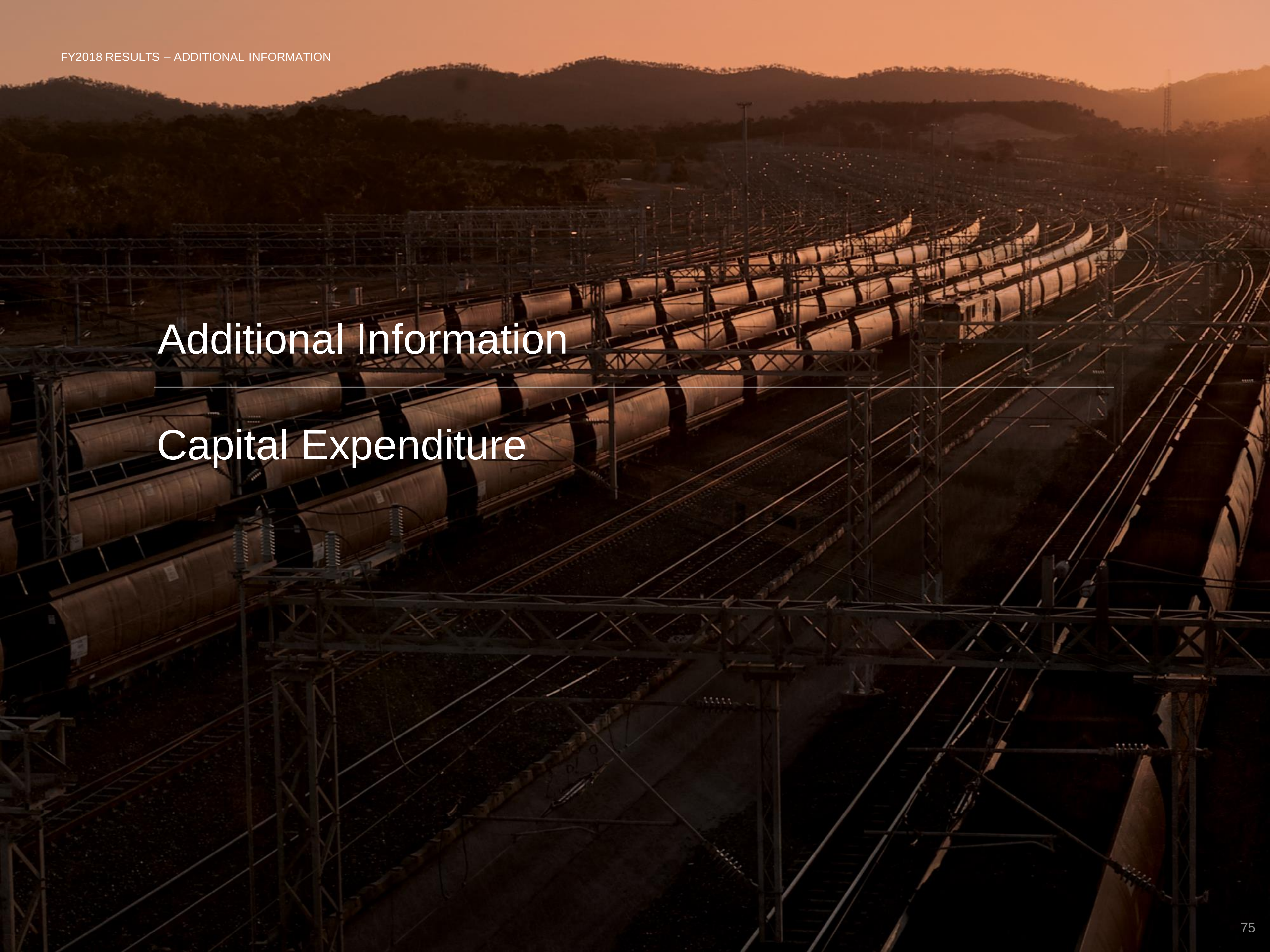
Note: AT = Access Tariff Revenue Adjustment Amount
1. Estimated, excludes cost of capital adjustment and only includes AT2-5 adjustments. This has not been submitted to the QCA
2. Return to access holders
3. FY2013 AT_{2-4} includes $11.6m recovery for GAPE, FY2016 AT_{2-4} includes $2.0m return for GAPE, FY2017 AT_{2-4} includes $0.5m return for GAPE

Reconciliation of billed MAR to reported access revenue

$m	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual
Billed Access Revenue (AT_1 to AT_5) (ex. GAPE)	794	787	924	892	940
Approved Adjustments to MAR					
Transitional tariff adjustment	(70)	-	-	-	-
Flood Claim recoveries[1]	-	12	6	-	18
WIRP Smoothing[2]	-	-	(15)	5	-
Revenue Cap (ex. GAPE and inclusive of capitalised interest)	17	34	8	(32)	(22)
UT4 MAR True-up	-	-	-	112	-
Regulated Access Revenue (ex. GAPE)	**741**	**833**	**923**	**977**	**936**
Total non-regulated Access Revenue (ex. GAPE)	5	11	12	18	38
Total GAPE Revenue (Regulatory + non-regulatory)	205	204	201	205	193
Total Access Revenue per Aurizon Statutory Accounts	**951**	**1,048**	**1,136**	**1,200**	**1,167**

Note: Access Revenue excludes other revenue which primarily consists of Access Facilitation Charges (AFC) paid by customers to Aurizon and other services revenue

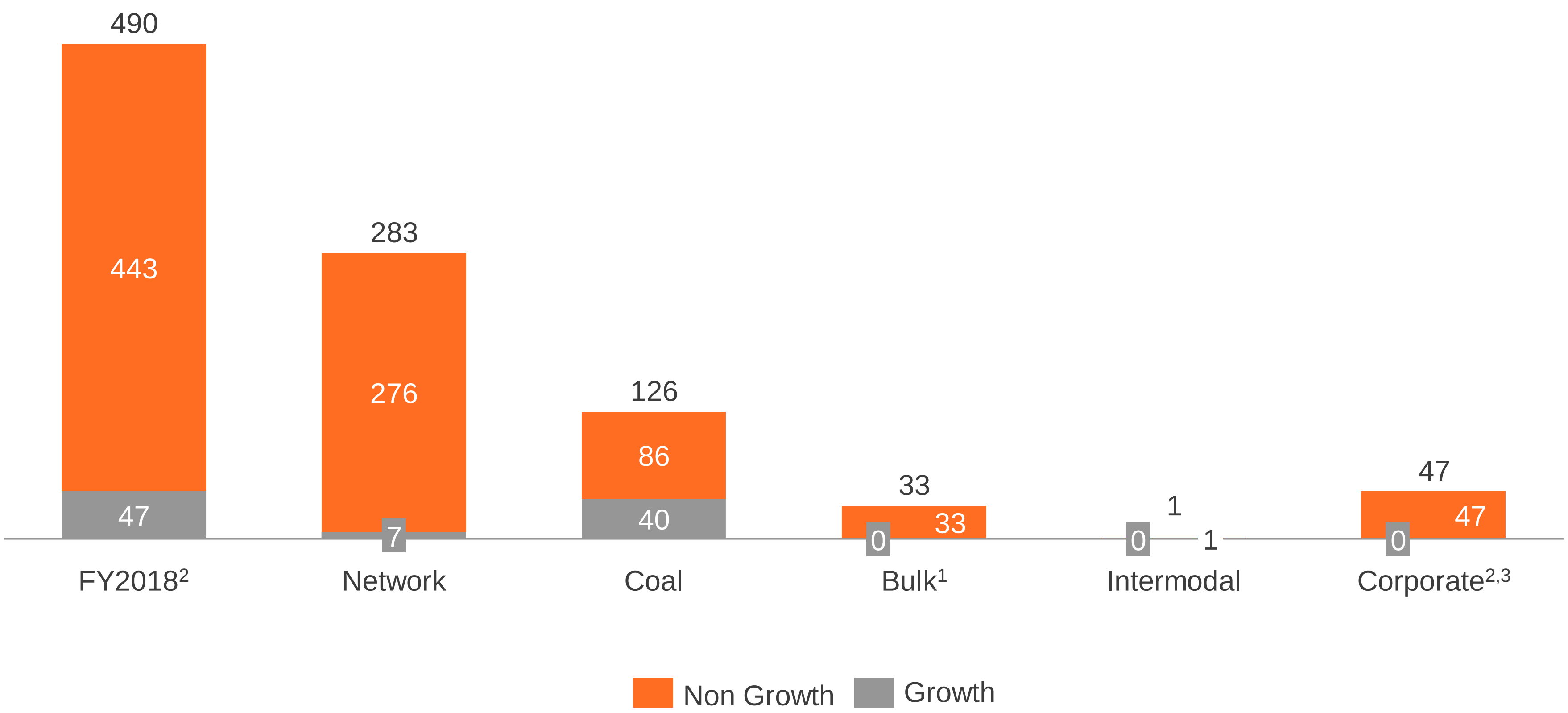
1. FY2015 and FY2016 relates to the 2013 flood event. FY2018 includes amounts of $2.2m approved in respect of the FY2015 event and $16.2m (excluding the GAPE amount of $1.2m) approved for inclusion in the transitional allowable revenue for FY2018 emanating from the FY2017 Cyclone Debbie event. The QCA approved an amount of $16.9m (pre-escalation) on 23/5/2018, the difference between the approved amount and that included in transitional tariffs will form part of the UT5 true-up reconciliation.
2. FY2016 & FY2017 WIRP Smoothing reflects the ramp up of Regulatory Revenue in line with the Regulatory Volumes and the removal of revenue attributed to Cockatoo Coal



Additional Information

Capital Expenditure

FY2018 group and business unit capital expenditure ($m)



1. Net of externally funded payments
2. Includes capitalised interest
3. Net of lease incentive payments

AURIZON

Glossary

Metric	Description
Access Revenue	Amounts received by Aurizon Network for access to the Network infrastructure under all Access Agreements
Average haul length	NTK/Total tonnes
Contract utilisation	Total volumes hauled as a percentage of total volumes contracted
CQCN	Central Queensland Coal Network
dGTK	Diesel fuel used per Gross tonne kilometre. GTK is a unit of measure representing the movement over a distance of one kilometre of one tonne of vehicle and contents including the weight of the locomotive & wagons
Footplate hours	A measure of train crew productivity
Free cash flow	Net operating cash flows less net cash flow from investing activities less interest paid
FTE	Full Time Equivalent - The number of unique employee positions filled by all Aurizon employees (excluding contractors/consultants) as at period end. The NTK/Employee metric for the half year is annualised for comparative purposes and uses period-end FTE
GAPE	Goonyella to Abbot Point Expansion
Gearing	Net debt/(net debt + equity)
Gross Contracted NTKs	Gross contracted tonnages multiplied by the loaded distances (calculated on a contract by contract basis)
Maintenance	Maintenance costs exclude costs associated with traction, telecommunication, ballast and undercutting, rail renewals, flood repairs and derailments
MAR	Maximum Allowable Revenue that Aurizon Network Pty Ltd is entitled to earn from the provision of coal carrying train services in the CQCN
Mtpa	Million tonnes per annum
NTK	Net Tonne Kilometre. NTK is a unit of measure representing the movement over a distance of one kilometre of one tonne of contents excluding the weight of the locomotive and wagons
Operating Ratio	1 – EBIT margin. Operating ratio calculated using underlying revenue which excludes interest income & significant items
Opex	Operating expense including depreciation and amortisation
Payload	The average weight of product hauled on behalf of Aurizon customers per service, calculated as total net tonnes hauled / total number of services
QCA	Queensland Competition Authority
ROIC	Return on Invested Capital. Rolling 12-month underlying EBIT/(Net PP&E including assets under construction + Investments accounted for using the equity method + current assets less cash, less current liabilities + net intangibles)
ToP	Take-or-Pay. Contractual ToP provisions entitles Aurizon Network to recoup a portion of any lost revenue resulting from actual tonnages railed being less than the regulatory approved tonnage forecast
Underlying	Underlying earnings is a non-statutory measure and is the primary reporting measure used by Management and the Group's chief operating decision making bodies for the purpose of managing and determining financial performance of the business. Underlying results differ from the Group's statutory results. Underlying adjusts for significant/one-off items
Velocity	The average speed (km/h) of Aurizon train services (excluding yard dwell)
WACC	Weighted average cost of capital
WIRP	Wiggins Island Rail Project