



Aurizon Holdings Limited
ABN 14 146 335 622

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

16 July 2015

Aurizon – June 2015 Quarterly Above Rail Volumes

Please find attached announcement for release to the market.

Kind regards

A handwritten signature in black ink, appearing to read "D. Smith", with a horizontal line underneath the name.

Dominic D Smith
VP & Company Secretary

QUARTERLY ABOVE RAIL VOLUMES

June Quarter 2015

	Quarter ended					Quarter Jun-15 vs Jun-14 %	Financial Year ended		Year ended Jun-15 vs Jun-14 %
	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15		Jun-15	Jun-14	
Coal volumes (mt)									
Queensland	42.2	43.9	43.9	38.9	41.6	-1%	168.3	169.9	-1%
NSW	9.9	10.3	10.9	10.7	11.0	11%	42.9	40.5	6%
Total	52.1	54.2	54.8	49.6	52.6	1%	211.2	210.4	0%
Coal NTK (bn)									
Queensland	10.7	10.9	10.9	9.7	10.5	-2%	42.0	42.8	-2%
NSW	1.6	1.7	1.7	1.8	1.9	19%	7.1	6.4	11%
Total	12.3	12.6	12.6	11.5	12.4	1%	49.1	49.2	0%
Iron ore volumes (mt)	7.4	6.8	6.1	6.2	6.5	-12%	25.6	29.9	-14%
Iron ore NTK (bn)	3.1	2.8	2.5	2.4	2.7	-13%	10.4	12.2	-15%
Freight volumes (mt)	10.9	12.7	12.2	9.8	11.3	4%	46.0	46.3	-1%
Freight NTK (bn)	2.9	3.5	3.3	2.9	3.2	10%	12.9	12.5	3%

Commentary for the quarter

Coal:

- FY2015 tonnages were 211.2mt - in line with guidance of 210 -220mt (FY2016 volume guidance will be provided at the full year results)
- June Quarter 2015 volumes of 52.6mt represents a 1% (0.5mt) increase compared to the previous corresponding period (pcp)

Queensland (QLD):

- June Quarter 2015 volumes of 41.6mt represent a 1% (0.6mt) decrease on the pcp largely driven by weaker Goonyella volumes and the loss of the 2mtpa German Creek (Anglo) contract from November 2014 partly offset by stronger Newlands volumes
- Net Tonne Kilometres (NTK) declined 2% compared with pcp which is consistent with the volume decline
- On 8th July 2015, Aurizon reached agreement with Anglo American and Mitsui for a new form, 10 year performance-based contract that replaces existing haulage arrangements for the Dawson and Callide mines in Queensland - effective immediately

New South Wales (NSW):

- June Quarter 2015 volumes of 11.0mt represent an 11% (1.1mt) increase compared to the pcp. This increase is largely driven by commencement of the long-term 6.4mtpa Whitehaven contract which commenced on 1st March 2015 partly offset by the impact of the severe weather events in late April 2015
- NTKs increased 19%, reflecting the longer haulage distances associated with the Whitehaven volumes from the Gunnedah Basin

Iron ore:

- FY2015 volumes were 25.6mt - in line with guidance of ~25mt (FY2016 volume guidance will be provided at the full year results)
- June Quarter 2015 volumes of 6.5mt represent a 12% (0.9mt) decrease compared to pcp, in line with the end of two contracts in August and October 2014 as previously advised. This was partly offset by:
 - Strong railings from existing customers and incremental volumes for Karara (contract utilisation remains above 100%)
 - The commencement of railings for Top Iron in February 2015
- NTKs declined 13% compared with pcp which is consistent with the reduction in volumes

Freight:

- FY2015 volumes were down 1% as previously foreshadowed in the Q3 volume update (FY2016 volume guidance will be provided at the full year results)
- June Quarter 2015 volumes of 11.3mt represent a 4% (0.4mt) increase compared to the pcp
- Bulk volumes increased 10% (0.9mt) compared to the pcp due to improved nickel volumes (impact of Indonesian embargo in pcp), improved performance from a fertiliser customer in QLD and stronger grain and sugar volumes
- Intermodal tonnages decreased 31% (0.5mt) compared to the pcp due to the impact of the CRT disposal (effective 1 December 2014), the impact of the severe weather in NSW which closed the North-South rail lines for 18 days in April and May, as well as continuing soft market conditions impacting the broader market
- FY2016 revenue impact from the sale of CRT will be in the order of \$40m
- NTKs increased by 10% due to stronger Bulk volumes in North QLD
- The General Freight Transport Services Contract (TSC) which was due to expire on 30 June 2015 is currently operating under a short-term extension. We are in the process of negotiating extended commercial arrangements for both the General Freight and Livestock services. FY2016 TSC Revenue is expected to reduce by ~\$65m (60%)

Other matters:

- As previously advised to the ASX, a contract for the maintenance of Queensland Rail's (QR) passenger fleet at Redbank expired on 30 June 2015. Accordingly, these services have now ceased with an estimated revenue impact of \$60m in FY2016.
- External maintenance services to QR in the form of scheduled maintenance and compliance certification of the locomotives acquired by QR will continue as contracted to 31 December 2016. The Locomotive and Wheelshop for the internal loco fleet will operate until 30 June 2017, when the facility will then close

AURIZON HOLDINGS LTD

QUARTERLY ABOVE RAIL VOLUMES

Historical Data

	Quarter ended															Financial year ended					
	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15
Coal volumes (mt)																					
Queensland	40.2	40.8	34.5	36.2	37.3	41.1	34.3	43.1	43.8	44.8	39.1	42.2	43.9	43.9	38.9	41.6	152.0	151.7	155.8	169.9	168.3
NSW	8.1	8.4	8.1	9.3	9.2	9.7	9.3	9.7	9.7	11.4	9.5	9.9	10.3	10.9	10.7	11.0	29.6	33.9	37.9	40.5	42.9
Total	48.3	49.2	42.6	45.5	46.5	50.8	43.6	52.8	53.5	56.2	48.6	52.1	54.2	54.8	49.6	52.6	181.6	185.6	193.7	210.4	211.2
Contracted coal tonnes (mt) *																					
Queensland																	209	205	200	193	189
NSW																	30	40	40	39	41
Total																	239	245	240	232	230
Coal NTK (bn)																					
Queensland	9.7	9.8	8.3	9.0	9.0	10.0	8.2	10.6	10.9	11.2	10.0	10.7	10.9	10.9	9.7	10.5	36.4	36.8	37.8	42.8	42.0
NSW	1.2	1.3	1.2	1.4	1.4	1.5	1.4	1.5	1.5	1.9	1.4	1.6	1.7	1.7	1.8	1.9	4.5	5.1	5.8	6.4	7.2
Total	10.9	11.1	9.5	10.4	10.4	11.5	9.6	12.1	12.4	13.1	11.4	12.3	12.6	12.6	11.5	12.4	40.9	41.9	43.6	49.2	49.1
Iron ore volumes (mt)	2.9	2.8	3.7	4.2	4.6	6.0	6.6	7.5	7.2	7.8	7.5	7.4	6.8	6.1	6.2	6.5	11.5	13.6	24.7	29.9	25.6
Iron ore NTK (bn)	1.3	1.4	1.9	2.1	2.2	2.6	2.7	2.8	3.0	3.1	3.0	3.1	2.8	2.5	2.4	2.7	5.2	6.7	10.3	12.2	10.4
Freight volumes (mt)	13.4	13.9	13.1	12.6	13.2	12.7	11.1	12.3	12.6	12.0	10.8	10.9	12.7	12.2	9.8	11.3	50.0	53.0	49.3	46.3	46.0
Freight NTK (bn)	3.6	3.7	3.4	3.6	3.4	3.4	3.0	3.4	3.3	3.3	3.0	2.9	3.5	3.3	2.9	3.2	13.8	14.3	13.2	12.5	12.9

* Average annualised Above Rail contracted coal volumes