



Aurizon Holdings Limited
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ASX Market Announcements
ASX Limited
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BY ELECTRONIC LODGEMENT

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December 2015 Quarterly Above Rail Volumes

Please find attached announcement for release to the market.

Kind regards

Dominic D Smith
VP & Company Secretary

AURIZON HOLDINGS LTD
QUARTERLY ABOVE RAIL VOLUMES
December Quarter 2015

	Quarter ended					Quarter Dec-15 vs. Dec-14 %	Financial		Year ended Dec-15 vs. Dec-14 %
	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15		Year ended Dec-15	Dec-14	
Coal volumes (mt)									
Queensland	43.9	38.9	41.6	41.7	40.3	-8%	82.0	87.8	-7%
NSW	10.9	10.7	11.0	10.9	11.5	6%	22.4	21.2	6%
Total	54.8	49.6	52.6	52.6	51.8	-5%	104.4	109.0	-4%
Coal NTK (bn)									
Queensland	10.9	9.7	10.5	10.6	10.3	-6%	20.9	21.8	-4%
NSW	1.7	1.8	1.9	2.0	2.1	26%	4.1	3.4	21%
Total	12.6	11.5	12.4	12.6	12.4	-1%	25.0	25.2	-1%
Iron ore volumes (mt)	6.1	6.2	6.5	6.3	6.2	2%	12.5	12.9	-3%
Iron ore NTK (bn)	2.5	2.5	2.6	2.5	2.5	-1%	5.0	5.3	-6%
Freight volumes (mt)	11.8	9.4	10.8	11.4	10.6	-10%	22.0	24.1	-9%
Intermodal (TEU '000s)	99.3	89.1	87.6	97.9	95.0	-4%	192.9	195.3	-1%
Freight NTK (bn)	3.3	2.9	3.2	3.3	3.2	-3%	6.5	6.8	-5%

Customer update:

- › Due to challenging current trading conditions from record low commodity prices, Aurizon is in active discussions with a small number of non-coal customers regarding potential near-term contractual relief in exchange for contract extensions and other longer-term security to Aurizon
- › On 18th January 2016, Aurizon freight customer QNI was placed into Voluntary Administration. Aurizon is working closely with the administrators in order to achieve an optimal commercial outcome in relation to the recovery of the ~\$20m debt as well as to support continuing operations at QNI
- › The Transport Services Contracts (TSC) were renewed during the quarter with the Queensland Government, contracted to deliver more than 900 regional and livestock rail services to the end of Dec 2017. FY2016 revenue is expected to be ~\$45m (\$65m lower than FY2015 revenues as per previous guidance)
- › Syntech Resources (Cameby Downs mine) - agreement signed for the haulage of up to 1.7mtpa (2 + 2 years), replacing the existing 1.4mtpa agreement which expires at the end on January 2016

Coal:

- › December Quarter 2015 volumes of 51.8mt represents a 5% (3.0mt) decrease compared to the previous corresponding period (pcp) against a 1% decrease in NTKs
- › FY2016 coal volume guidance was lowered to 202 - 212mt (from 210 - 220mt) on 23rd December 2015

Queensland (QLD):

- › December Quarter 2015 volumes of 40.3mt represents an 8% (3.6mt) decrease on the pcp largely driven by weaker volumes in the Goonyella corridor due to the continued ramp up of BMA Rail, production issues at a major customer's mine and the expiry of the 2mtpa German Creek (Anglo) contract in Nov 2014
- › Net Tonne Kilometres (NTK) declined 6% compared with pcp which is consistent with the volume decline offset by additional volumes from the GAPE and Blackwater corridors at longer haul distances

New South Wales (NSW):

- › December Quarter 2015 volumes of 11.5mt represents a 6% (0.6mt) increase compared to the pcp, driven by the commencement of the long-term Whitehaven contract on 1st March 2015
- › NTKs increased 26%, reflecting the longer haulage distances associated with the Whitehaven volumes from the Gunnedah Basin

Iron ore:

- › December Quarter 2015 volumes were 6.2mt, representing a 2% (0.1mt) increase compared to pcp with all customers railing close to contracted capacity
- › NTKs decreased marginally reflecting the shorter distance associated with the Mt Gibson haul

Freight:

- › December Quarter 2015 volumes of 10.6mt represent a 10% (1.2mt) decrease compared to the pcp
 - › Bulk volumes decreased 8% (0.9mt) compared to the pcp primarily due to lower volumes across a range of services including nickel, alumina and port shuttle services reflecting challenging trading conditions as well as the impact from a derailment in the NW QLD corridor
 - › On 27th December 2015 there was a derailment on the North West corridor 20km east of Julia Creek. Queensland Rail have constructed a temporary deviation around the incident site, with services resuming operations on 13th January 2016. Approximately 60 services (mainly January) were affected due to the derailment, with the expectation that the lost volumes will be caught up in 2H FY2016
 - › Intermodal volumes decreased 0.3mt primarily due to the sale of CRT (effective 1 December 2014). In Twenty-foot Equivalent Unit (TEU) volumes decreased 4% compared to the pcp primarily due to reduced volumes from Cement Australia contract
- › Overall Freight NTKs decreased 3% driven by a decline in volumes, partly offset by product mix

AURIZON HOLDINGS LTD

QUARTERLY ABOVE RAIL VOLUMES

Historical Data

	Quarter ended												Financial year ended			
	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Jun-13	Jun-14	Jun-15
Coal volumes (mt)																
Queensland	41.1	34.3	43.1	43.8	44.8	39.1	42.2	43.9	43.9	38.9	41.6	41.7	40.3	155.8	169.9	168.3
NSW	9.7	9.3	9.7	9.7	11.4	9.5	9.9	10.3	10.9	10.7	11.0	10.9	11.5	37.9	40.5	42.9
Total	50.8	43.6	52.8	53.5	56.2	48.6	52.1	54.2	54.8	49.6	52.6	52.6	51.8	193.7	210.4	211.2
Contracted coal tonnes (mt) *																
Queensland														200	193	189
NSW														40	39	41
Total														240	232	230
Coal NTK (bn)																
Queensland	10.0	8.2	10.6	10.9	11.2	10.0	10.7	10.9	10.9	9.7	10.5	10.6	10.3	37.8	42.8	42.0
NSW	1.5	1.4	1.5	1.5	1.9	1.4	1.6	1.7	1.7	1.8	1.9	2.0	2.1	5.8	6.4	7.2
Total	11.5	9.6	12.1	12.4	13.1	11.4	12.3	12.6	12.6	11.5	12.4	12.6	12.4	43.6	49.2	49.1
Iron ore volumes (mt)	6.0	6.6	7.5	7.2	7.8	7.5	7.4	6.8	6.1	6.2	6.5	6.3	6.2	24.7	29.9	25.6
Iron ore NTK (bn)	2.6	2.7	2.8	3.0	3.1	3.0	3.1	2.8	2.5	2.5	2.6	2.5	2.5	10.4	12.2	10.4
Freight volumes** (mt)	12.7	11.1	12.3	12.6	12.0	10.8	10.9	12.3	11.8	9.4	10.8	11.4	10.6	49.3	46.3	44.4
Intermodal (TEU '000s)	86.6	66.0	73.2	85.2	100.3	85.1	86.0	96.0	99.3	89.1	87.6	97.9	95.0	306.6	356.6	372.0
Bulk NTK (bn)	3.4	3.0	3.4	3.3	3.3	3.0	2.9	3.5	3.3	2.9	3.2	3.3	3.2	13.2	12.5	12.9

* Average annualised Above Rail contracted coal volumes

** Freight volumes for FY2015 and FY2016 have been restated to align with the new functional reporting, removing some double counting of volumes in combined road and rail Intermodal legs