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ASX Market Announcements  
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**BY ELECTRONIC LODGEMENT**

**Aurizon – SIMTA and MIC Moorebank agreement**

Please find attached announcement for immediate release to the market.

Yours faithfully



**Dominic D Smith**  
VP & Company Secretary



**4 June 2015**

## **Aurizon welcomes SIMTA and MIC Moorebank agreement**

Aurizon Holdings welcomes today's announcement by the Federal Government to approve an agreement between Moorebank Intermodal Company (MIC) and the Sydney Intermodal Terminal Alliance (SIMTA) for the development and operation of the Moorebank Intermodal Terminal in South Western Sydney.

SIMTA comprises a consortium of Qube Holdings (67%) and Aurizon (33%).

Under the contract, SIMTA will develop and operate the open-access freight terminals and associated warehousing on a joint precinct comprising land owned by SIMTA and an adjoining Federal site.

The first stage of the project will be an import-export (IMEX) freight terminal connected by rail to Port Botany, with initial capacity of 250,000 containers per year and eventual capacity for up to 1.05 million containers per year, and expected to be operational in late 2017.

The second stage is an interstate freight terminal with initial capacity of 250,000 containers per year and eventual capacity for up to 500,000 containers a year, which is expected to begin operating in 2019. The project also involves the development of associated warehousing for the site.

The total project cost for the terminals, precinct infrastructure and associated warehousing is anticipated to be about \$1.5 billion over 10 years. SIMTA's initial investment will comprise an estimated \$700 million for stages one and two. The remaining estimated \$800 million investment for the warehouse development will involve commercial negotiations with prospective tenants and third-party funding.

Aurizon's capital contribution is expected to be up to \$235 million, commencing in FY2016, and weighted to the project's first four years.

The Federal Government will provide funding for the rail connection between the terminals and the Southern Sydney Freight Line on which it will receive a fixed return.

The conditions precedent to commencement of the agreement include planning and environmental approvals for the MIC site and surrender by the Department of Defence of its leasing arrangements. These are expected to be satisfied by the first half of FY16.

Aurizon took a strategic stake in Moorebank in 2007. It was identified as one of Australia's largest and best-positioned greenfield sites for an integrated freight precinct. Moorebank has a dedicated freight link to Port Botany, easy access to the North/South and East/West interstate rail corridors as well as the M5 freeway.

"Moorebank will be the largest integrated warehouse rail terminal precinct in Australia when fully developed," Aurizon Managing Director & CEO Lance Hockridge said.

"It will help drive competitive advantage for Aurizon and Qube because of its strategic location, unprecedented scale and the seamless integration of port, rail and road. Coupled with the efficiencies available to greenfield operations, it will reduce logistics costs and provides greater opportunity for a sustained modal shift from road to rail.

"Moorebank provides Aurizon the opportunity to diversify our general freight portfolio into the rapidly-growing IMEX market, connected by rail to one of Australia's busiest ports. Moorebank also provides a more efficient, flexible and long-term solution for Aurizon's Sydney-based intermodal operations."

Mr Hockridge said Aurizon saw strong commercial alignment in the Moorebank joint venture with Qube because of its logistics capability and clear growth strategy.

“Aurizon is delighted to work in close collaboration with all parties, including the Federal Government, on a project that delivers at multiple levels,” he said.

“It provides clear commercial opportunities for private sector participants, has the potential to transfer a greater share of Australia’s freight from road to rail, as well as delivering a range of economic, environmental and social benefits.

“These are the win-win outcomes this nation needs with long-run and productive freight transport infrastructure.”

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