

Deal offering – QR National

Summary

Initial Public Offering to list QR National (QRN) on the ASX, the world's largest rail freight operator

Deal details

Indicative price range ¹	\$2.50-\$3.00 per share
Total number of Shares available under the Offer and on issue on completion of the Offer	2,440 million
Indicative Market capitalisation ²	\$6,100 million-\$7,320 million
Pro forma net debt (as at 30 June 2010) ³	\$500 million
Incentives	Incentives exist for retail investors
Indicative enterprise value ⁴	\$6,600 million-\$7,820 million

Proceeds of the offer will be applied to:

- An opportunity for the state to sell down a portion of its current shareholding in QR National and;
- QR National with commercial independence and access to capital markets, to give it additional management and financial flexibility for growth and development opportunities;

Deal timetable

Event	Date / Time
Retail Offer opens	10th October 2010
Institutional Offer period	18th - 19th November
Pricing & Allocation announced	Friday 22nd November 2010
Expected Commencement Trading (conditional & deferred)	1st December 2010
Expected Commencement Trading (Normal)	Thursday 7th December

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Retail Offer Incentive Structure

The Offer comprises the Retail Offer and the Institutional Offer.

The State is providing Retail Investor Incentives under the Retail Offer which comprise a Retail Price Discount, a Maximum Price per Share and an entitlement to Loyalty Bonus Shares.

- **Retail Price Discount** – You can apply for Shares at a discount of 10 cents per Share to the Institutional Price;
- **Maximum Price per Share** – You will pay no more than the Maximum Price per Share of \$2.80 under the Retail Offer;
- **Loyalty Bonus Shares** – You may be entitled to Loyalty Bonus Shares (subject to certain conditions) in the following ratios:
 - **if you are a Queensland resident Retail Investor** – 1 for 15 up to a maximum of 675 Loyalty Bonus Shares; or
 - **if you are a non-Queensland resident Retail Investor** – 1 for 20 up to a maximum of 500 Loyalty Bonus Shares.

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