



Aurizon Holdings Limited
ABN 14 146 335 622

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

17 September 2019

Aurizon commences proceedings regarding sale of Australian assets of Genesee & Wyoming

Please find attached an announcement for release to the market.

Kind regards

A handwritten signature in blue ink, appearing to read "M. W.", followed by a horizontal line.

David Wenck
Head of Legal & General Counsel

For personal use only

ASX Announcement

17 September 2019

Aurizon commences proceedings regarding sale of Australian assets of Genesee & Wyoming

Aurizon today applied to the Supreme Court of New South Wales seeking damages and declarations that Genesee & Wyoming, Inc. (G&W) breached long-standing contractual rights held by Aurizon concerning G&W's Australian assets.

Aurizon's rights are contained in a 2006 Rights of First Refusal Agreement (ROFRA) between certain Aurizon subsidiaries, G&W, and certain G&W subsidiaries, that was executed as part of the June 2006 acquisition by Aurizon (then QR National) of the above-rail assets of the Australian Railroad Group (ARG) in Western Australia. ARG at that time was owned by a joint venture of Genesee & Wyoming and Wesfarmers.

The ROFRA gives Aurizon a first right of refusal over various forms of divestment by G&W of its Australian assets, and Aurizon believes G&W has breached those rights in two respects.

First, in entering into a partnership with Macquarie Infrastructure and Real Assets (MIRA) and Dutch pension fund manager PGGM in 2016 in relation to the Australian assets, without first offering them to Aurizon, and doing so on terms that undermine Aurizon's rights under the ROFRA.

Second, in entering into a sale agreement with MIRA and PGGM in August 2019 to transfer its remaining partnership interest to those entities on terms that are inconsistent with Aurizon's rights.

As background, on 1 July 2019 a consortium of Brookfield Infrastructure and GIC announced it had agreed to acquire the global assets of G&W in a transaction expected to close by early 2020, subject to regulatory approvals. That transaction contemplated the potential divestiture of G&W's Australian assets.

On 5 August 2019, G&W announced that it had entered into a definitive agreement to divest G&W's 51.1% stake in G&W Australia Holdings LP (GWA) to MIRA and PGGM, subject (among other things) to completion of the Brookfield and GIC merger proposal.

GWA's assets include bulk and general freight assets in South Australia and the Northern Territory including the Tarcoola-to-Darwin rail line and rollingstock, together with coal haulage assets in New South Wales. Aurizon has initiated proceedings to seek to preserve its rights under the ROFRA, including the right to pursue transactions which may result from the exercise of those rights or otherwise.

For more information:

Investors:

Kath Clapham
+61 428 150 495

Media:

Mark Hairsine
+61 418 877 574