

Highlights

The organisation's focus in this half year was consolidating the work undertaken in the foundation year and delivering success and efficiencies across the five strategic pillars: safety, customer, people, commercial and community.

Significant achievements in the half year ending 31 December 2011 included:

- delivery of 145,491 City network services and 1,907 Travel network and Tourist services
- total passenger journeys on the City network for the first six months of 2011-12 were 26.0 million, representing an 2.5 percent increase year on year
- total passenger journeys on the Travel network for the first six months of 2011-12 were 241,945, representing an 3.7 percent increase year on year
- continued improvement in the lost time injury frequency rate
- certification in the International Customer Service Standard (ICSS)
- National Safety Council of Australia (NSCA) award for the "What Would You Miss Campaign"
- Ten individual and corporate awards at the Customer Service Institute of Australia Annual Awards
- customer enhancements including wi-fi rollout and station upgrade projects
- finalised enterprise bargaining negotiations with appropriate unions
- the success of the "All the holiday you can take campaign" contributed to record Queensland Rail Travel revenue.

Financial Results*

Six months to 31 December	2011	2010
EBIT (\$m)	195.27	255.61
NPAT (\$m)	63.55	102.15
Return on Equity (%)	5.07	10.32
Return on Assets (%)	5.89	8.61

Queensland Rail's EBIT for the six months to December 2011 was \$195m, \$22m below budget.

Increases in maintenance costs, both consumables and labour, resulted from delays to capital program delivery and associated redirection of workforce. Additionally, realignment of depreciation projections and one off asset disposal costs also contribute. These are partially offset by additional revenue from network access customers.

Revenue has also been below budget as a result of delays to the capital program.

Capital Program

Expenditure to 31 December 2011 totalled \$261m. Major outlays included \$109m for the South East Queensland Infrastructure Plan and Program, \$37m on rollingstock maintenance and overhaul programs, \$27m on station upgrades, \$21m for ICT Separation, \$18m on the Regional Network and \$17m for the Sunlander 14 project.

Non-Financial Results

Six months to 31 December	2011	2010
Lost Time Injury Frequency Rate (LTIFR)	6.10	7.78
Freight Gross Tonne Kilometres (B)^	12.62	11.35
City network Customer Satisfaction #	72.0	69.0
City network On Time Running (%)	93.78	93.68

Our safety performance continued to improve, with LTIFR down to 6.10 this year from 7.78 in 2010. While Queensland Rail will still strive for zero, the trends are encouraging.

Freight Gross Tonne Kilometres have increased by 11.2% since the same period last year. This result includes additional tonnage on the West Moreton, North Coast and Brisbane metropolitan lines.

City network Customer Satisfaction is based on an index out of 100. Results continue to improve for the Safety and Security, Reliability and Frequency and Comfort and Accessibility measures.

City network OTR (%) of 93.78 for the six month period was above the contractual target and continues the general trend of improving results over the last two years.

Corporate Entertainment and Hospitality

No events costing more than \$5,000 occurred in the first half of the year to 31 December 2011.

This report has been prepared based on information readily available as at 31 December 2011, and has been prepared for general information purposes. Representations made in this report may be subject to change and should not be relied upon.

#The Queensland Rail City network Customer Satisfaction index excludes those items that are beyond Queensland Rail's direct control.

^Definition has changed between the reporting periods of 2010 and 2011, 2010 result in accordance with the previous definition was 7.75 (B)

* The financial information provided in this document is unaudited. For audited information and more detailed financial statements please see the Annual Report. Queensland Rail Limited ABN 71 132 181 090