



Rail sale makes billions for Queensland Government

By Neroli Roocke

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The Queensland Government has raised \$4.6 billion by selling 60 per cent of its rail freight business, QR National.

Shares have traded on the Australian Stock Exchange today slightly higher than the pre-list price of \$2.45 paid by retail investors and \$2.55 paid by institutional investors.

Independent analyst Roger Montgomery says almost 400 million shares traded in the first hour.

"That's a lot of turnover, a lot of people are taking profits on the first day."

The Premier Anna Bligh expected the sale to go well.

"We've seen two-and-a-quarter times as many people wanting to buy shares as are available," he said.



A QR National train outside Dawson mine in Queensland

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"We've scaled back on institutional and retail buy so that tells me there'll be a lot of people in the market looking to build up their share holding in this."

The Opposition's Tim Nicholls has a very different perspective.

"The reality is the government has spent tens of millions of dollars trying to flog off Queensland Rail and there's not a great deal of interest out there," he said.

"Mum and Dad investors, retail investors, have been singularly unimpressed with the offer. This has been a flop in every way imaginable.

Mr Montgomery says QR National's value is actually well below what the Government has got for it.

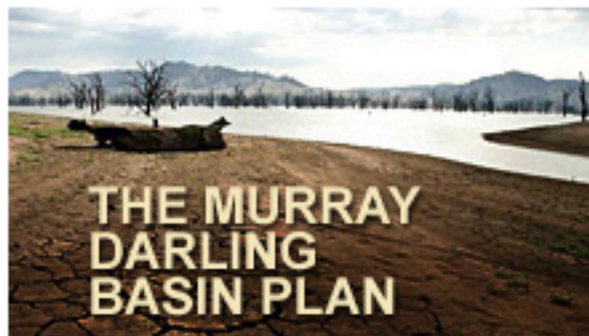
"I think the Government has done very well to get this asset away at a price that is so far away from what it's intrinsically worth," he said.

"What's an asset worth that makes no money?"



"We've got to remember that last year it lost \$37 million."

The Queensland Government remains the largest shareholder, with a 33.7 per cent stake.

It is expecting QR National to pay a dividend to shareholders in September 2011.



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