



## **MEDIA RELEASE**

### **Pacific National Results on Track**

Toll Holdings and Patrick Corporation today advised that their jointly owned rail investment, Pacific National, had posted a profit after tax of \$25.8 million for the six months to December 2002.

The result was based on revenues of \$547 million, and earnings before interest and tax of \$54.9 million.

Volumes across the operations were ahead of plan particularly in relation to the coal and industrial businesses. Although the drought has resulted in reduced grain volumes, restructuring and cost initiatives are well advanced, thereby minimising the current and future earnings impact.

Spokesmen for the shareholders, said that results were ahead of plan and the integration of the company's operations remained in line with expectations. Over the past few months operations have benefited from improvements in safety management, maintenance procedures and asset utilisation as the structural organisational changes have bedded down.

Initiatives continue to be undertaken to improve customer focus in order to grow the revenue base and to enhance the effectiveness of customers supply chains. The business is now well positioned to pursue growth opportunities.

Pacific National has been engaged in useful discussion with Government, particularly in relation to track infrastructure management to improve the competitiveness of rail. Whilst some positive progress has been made, rail's full potential to support volume growth remains dependent on Government's investment in track infrastructure and an efficient track management regime.

Looking forward the business is on target to achieve shareholders expectations both from an operational and financial point of view.

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