

## **MEDIA RELEASE**

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### **BHP STEEL AND ONESTEEL RE-SIGN PACIFIC NATIONAL IN FREIGHT DEAL WORTH MORE THAN \$400 MILLION**

BHP Steel and OneSteel have re-signed with Pacific National for another four years.

Worth more than \$400 million, this is one of the country's largest rail freight contracts.

Since 1999 Pacific National has moved up to 3 million tonnes of steel a year from BHP Steel's and OneSteel's manufacturing sites to other BHP Steel and OneSteel facilities, local customers and to port for export.

BHP Steel Vice-President Transport and Logistics, Ingilby Dickson said " We look forward to working with Pacific National to continue to meet the needs of BHP Steel's customers for timely and cost-effective delivery of our steel products.

"The new contract will allow BHP Steel to shift the transport of some steel products from road to rail, delivering environmental and safety benefits, as well as facilitating further innovation in transport infrastructure and technology," Mr Dickson said.

OneSteel Market Mills Executive General Manager, Geoff Plummer said "This agreement locks in the benefits of the existing arrangements and continues to provide OneSteel with flexible and cost effective logistics services to meet the needs of the business and our customers."

Pacific National CEO, Stephen O'Donnell, welcomed BHP Steel's and OneSteel's decision and says it shows great confidence in Pacific National.

"Rail is a highly competitive industry in itself plus we compete with road and sea. Therefore, it is important at all times that we provide a safe, efficient and reliable service for our customers," Mr O'Donnell said.

"Pacific National has both the experience and commitment to meet the rail freight needs of Australia's important steel industry," he said.

#### **Some key facts:**

- High levels of service reliability are attracting more freight to rail from road.
- Service reliability is nearing 100% on most corridors, with well over 92% of all steel delivered on time.

- For example, service reliability into Brisbane from Whyalla has contributed to a 42% increase in rail volume in the last 12 months. The increase in volume has enabled OneSteel to meet growing customer needs in Queensland's buoyant construction market.
- These high levels of reliability also meant that Pacific National was able to support OneSteel's recent success in entering the Victorian railway construction market, bringing steel to Melbourne from Whyalla for the construction of the Victorian Fast Track project. Deliveries of long rail (27.5m) for this project, which began in January 2003, are likely to continue into early 2004 and total approximately 27,000 tonnes.
- Since 1999 over 1.9 million tonnes have been moved from BHP Steel's Western Port site.
- 2002-2003 was a record year for volumes leaving Western Port at 349,000 tonnes, up 22% from 2001-2002 levels.

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