Expectations of a pan European Shipper

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The world’s number one steel company

- ArcelorMittal is the world's number one steel company, with over 287,000 employees in more than 60 countries.

- ArcelorMittal has an industrial presence in 20 countries

- ArcelorMittal sales reached 65.110 million$ in 2009 with shipments of 71.1 million tonnes

Steel industry impacted from Q408 economic downturn
Flat Carbon Europe

- 2009 shipments: 21.8 million tonnes
- Production facilities located at 15 integrated and mini-mill sites in 6 countries.

Long Carbon Europe

- 2009 shipments: 10.8 million tonnes
- Production facilities in Long Carbon Europe located at 17 integrated and mini-mill sites in 9 countries.

Total shipments: 32.6 million tonnes
Out of which 11.6 million tonnes by rail
(Out of which 7 million crossed at least 1 border)
• Rail is very important to ArcelorMittal

• Rail has a number of advantages which make it the preferred transport mode
  – Ecological sustainability
  – Loading productivity
  – No restrictions on loading hours
  – Mills’ layout often based on rail transport

Provided rail may match shippers’ expectations
Expectations are all about a balanced service/cost offer to compete successfully with road

- **Planning reliability**
  - Capacity
  - Delivery time
  - Track & Trace

- **Flexibility**
  - no commitment on empty wagon availability
  - no commitment on transit times, extremely high dispersion
  - information too slow and unreliable
  - requested planning/commitment horizons do not match our business cycles
  - Limited possibilities to handle urgencies

- **Cost competitiveness**
  - insufficient on short to medium distances
  - important cost savings potentials not tapped
### Comparison Rail Europe vs Rail USA vs Truck

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Rail Europe</th>
<th>Rail USA</th>
<th>Truck Europe</th>
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<tbody>
<tr>
<td>Homologation</td>
<td>• Multiple homologation for each country / route</td>
<td>• FRA homologation</td>
<td>• Single</td>
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<tr>
<td></td>
<td>• Multiple security systems</td>
<td>• FRA system</td>
<td>• Not applicable</td>
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<tr>
<td></td>
<td>• European or national + rail company homologation</td>
<td>• Single</td>
<td>• Single</td>
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<tr>
<td>Driver</td>
<td>• For every country</td>
<td>• company licence</td>
<td>• 1 licence</td>
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<td></td>
<td>• All national languages required</td>
<td>• 1 language</td>
<td>• 1 language</td>
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<td></td>
<td>• Mandatory</td>
<td>• Mandatory</td>
<td>• Not applicable</td>
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<tr>
<td>Coupling</td>
<td>• Manual</td>
<td>• Automatic</td>
<td>• Not applicable</td>
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<tr>
<td>Energy</td>
<td>• Multiple tensions or fuel</td>
<td>• Fuel</td>
<td>• Fuel</td>
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<tr>
<td>Priority</td>
<td>• Passenger always first</td>
<td>• Limited conflict potential</td>
<td>Almost same level as passenger</td>
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Still significant cost cutting potential – provided the rail undertakers are ready to take up the challenge and collaborate to eliminate these handicaps.

Time is running out – every local siding closed is a customer lost forever.