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# Expectations of a pan European Shipper

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UIC - Global Rail Freight Conference  
Saint Petersburg, 7 July 2010



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# The world's number one steel company

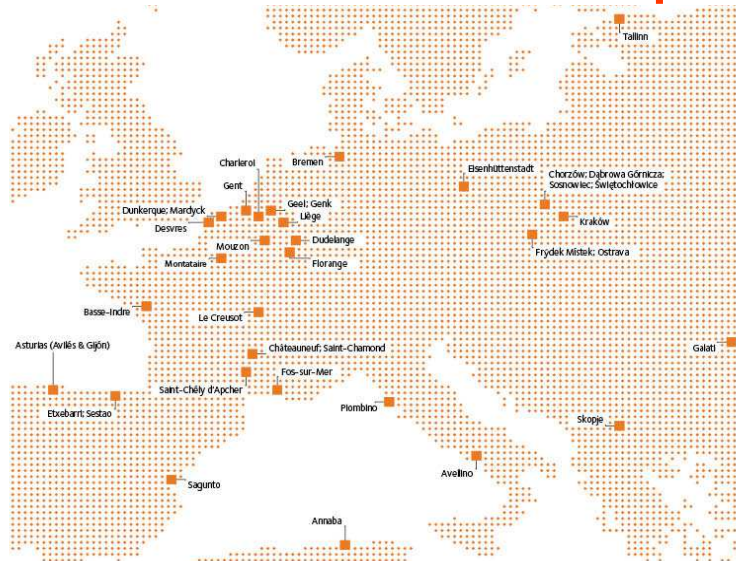
- ArcelorMittal is the world's number one steel company, with over **287,000** employees in more than **60** countries.
- ArcelorMittal has an industrial presence in **20** countries
- ArcelorMittal **sales** reached **65.110 million\$** in 2009 with **shipments** of **71,1 million tonnes**

*Steel industry impacted from Q408 economic downturn*

# Flat Carbon Europe



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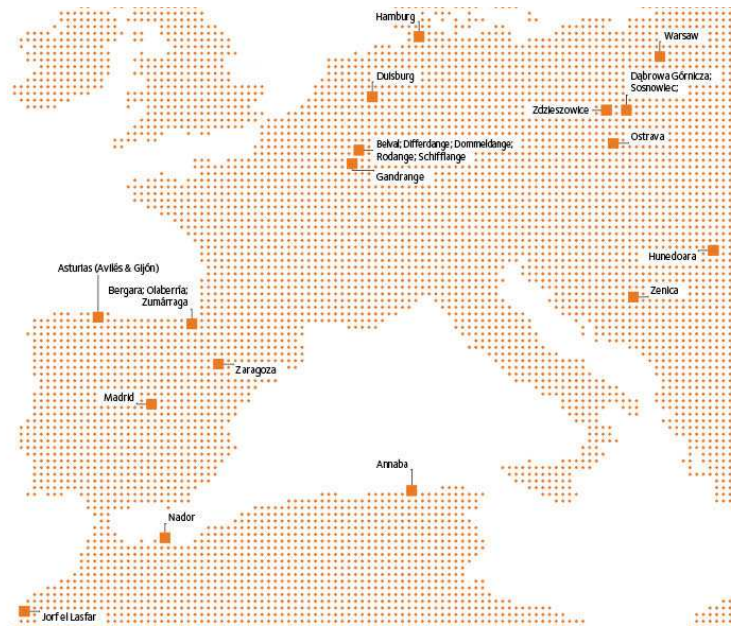


- 2009 shipments: 21.8 million tonnes

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- Production facilities located at 15 integrated and mini-mill sites in 6 countries.

# Long Carbon Europe



- 2009 shipments: 10,8 million tonnes

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- 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)



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- 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
- no commitment on empty wagon availability
- no commitment on transit times, extremely high dispersion
- information too slow and unreliable

- **Flexibility**

- 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

Requirements	Rail Europe	Rail USA	Truck Europe
<b>Homologation</b>			
• Engine	• Multiple homologation for each country / route	• FRA homologation	• Single
• Security system	• Multiple security systems	• FRA system	• Not applicable
• Wagon/trailer	• European or national + rail company homologation	• Single	• Single
<b>Driver</b>			
• Licence	• For every country	• company licence	• 1 licence
• Language	• All national languages required	• 1 language	• 1 language
• Route knowledge	• Mandatory	• Mandatory	• Not applicable
<b>Coupling</b>	• Manual	• Automatic	• Not applicable
<b>Energy</b>	• Multiple tensions or fuel	• Fuel	• Fuel
<b>Priority</b>	• Passenger always first	• Limited conflict potential	• Almost same level as passenger

**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**