



AUSTRALIAN RAIL TRACK CORPORATION LTD

MEDIA RELEASE

NEW RAIL CONTRACT BOOST FOR ORANGE

1 November 2006

Australian Rail Track Corporation Limited announced today that a contract worth \$33 million has been awarded to Vossloh Cogifer (France) for the supply of a minimum of 150 new rail turnouts.

A Collaboration Agreement and technology transfer arrangement with Flowserve TKL Rail will see the manufacture of some of the turnout components and the final assembly of the turnouts undertaken at Flowserve TKL Rail's factory at Orange in Central New South Wales.

It is anticipated that the plant at Orange will be required to move to a second shift, and to fulfil the contract Flowserve TKL Rail expects to employ more staff on the shop floor and additional technical staff in their Victorian office.

There will also be local investment in extended storage capacity at the Orange plant and in new machinery and equipment to support the operation.

Turnouts are also known as points or switches and allow a train to diverge from one track to another.

ARTC CEO, David Marchant said, "Orange will provide national logistics services for the import, storage, packing and distribution of the turnouts for ARTC's North South Improvement Programme."

"This is an innovative turnout design where the rail is canted (tilted) at a very slight angle, to allow trains a smoother and faster passage over the turnout, while at the same time reducing wear and tear on the turnout components and thereby providing future savings in maintenance costs."

"The technology transfer agreement will enable Flowserve TKL Rail to provide local support and technical advice for ARTC's investment over the next 20 years. It also opens up new opportunities for the supply of railway turnouts in Australia," Mr Marchant said.

The turnouts, which will be supplied over next two and a half years commencing in March 2007, will be used in ARTC's improvement programme for the existing North South rail corridor between Melbourne and Brisbane.

Over the next three years \$2 billion will be invested in track and signalling upgrades between Melbourne and Brisbane, providing quicker and more reliable rail freight services on this strategic transport corridor. Once the improvement works are completed, 1500 metre long superfreighters will be able to travel between the two cities in just over 26 hours, a saving of almost 10 hours on the current schedules.

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Australian Rail Track Corporation (ARTC) is responsible for all operations relating to the greater part of the interstate and Hunter Valley rail networks. ARTC provides a 'one stop shop' for access by train operators to the national standard gauge rail track network. This includes the provision of train control functions, the creation and selling of train paths to rail operators and the provision of capital and maintenance works over the network.