

DB Schenker's response to the new economic situation

Global Rail Freight Conference

DB Mobility Logistics AG

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St. Petersburg, July 6, 2010

As part of the DB Group's business units, DB Schenker forms a strong and global transportation network



DB BAHN



DB SCHENKER



DB NETZE

DB Schenker Rail



Rail Freight – No. 1 in Europe¹⁾
Network for cross-border transport services in Europe

DB Schenker Logistics



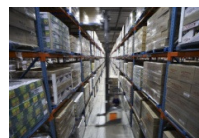
Land Transport – No.1 in Europe²⁾
Europe's largest and densest network for regular transport services



Air Freight – No.2 worldwide³⁾
Global network for transportation services



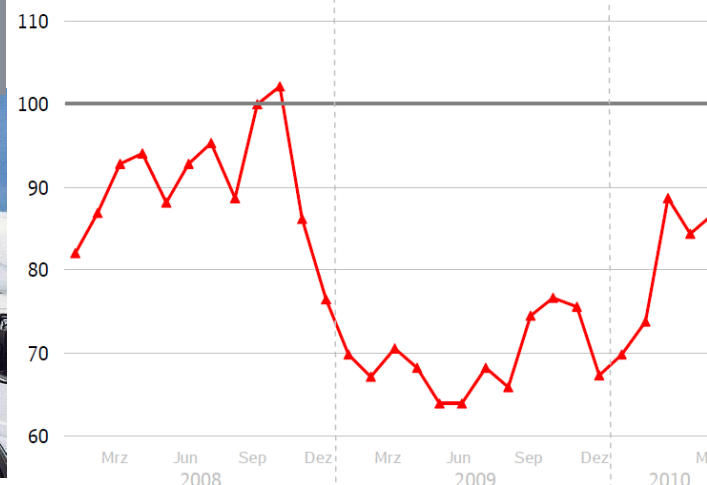
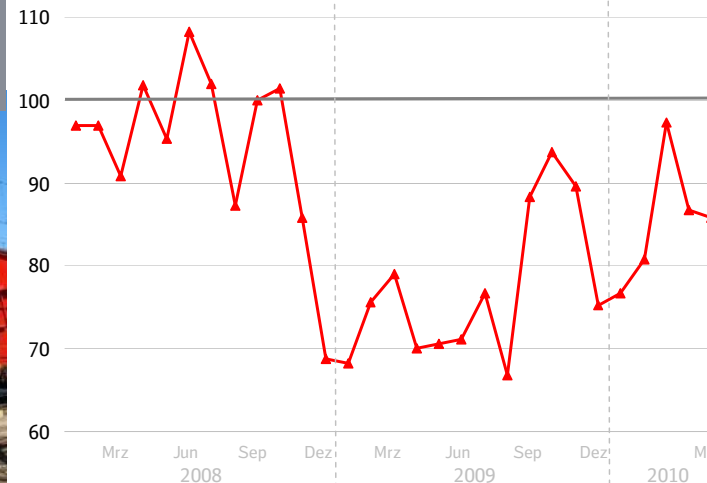
Ocean Freight – No.3 worldwide⁴⁾
Global network for transportation services



Contract Logistics/SCM – No.5 worldwide⁵⁾
Solutions for customized logistics services worldwide

Source: DB 1) according to tkm 2) according to revenue 3) according to tons 4) according to TEU 5) according to revenue

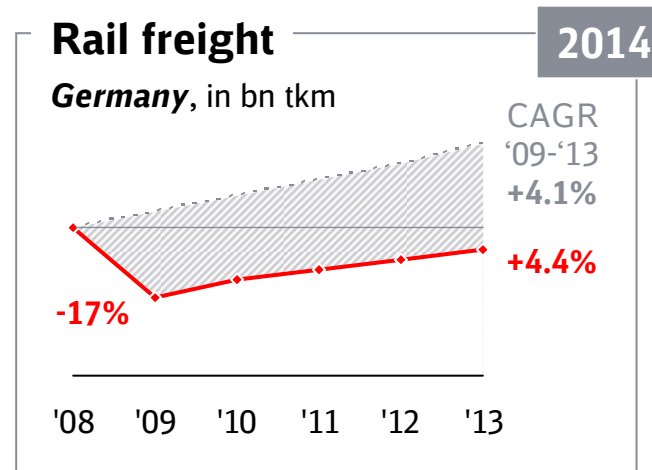
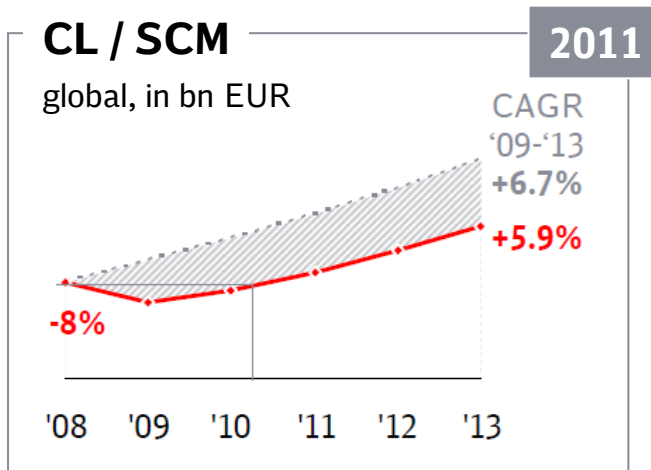
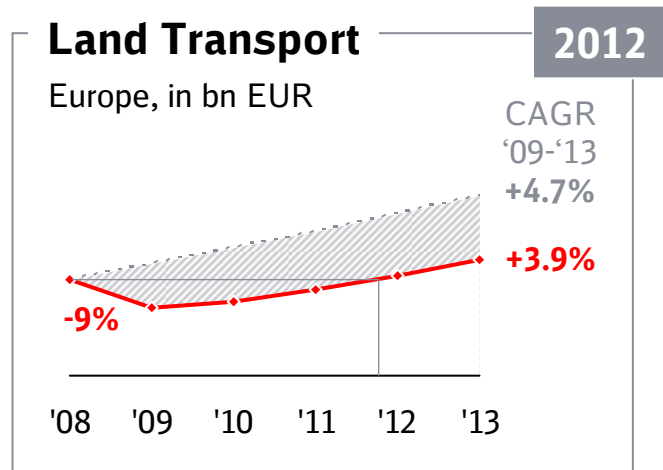
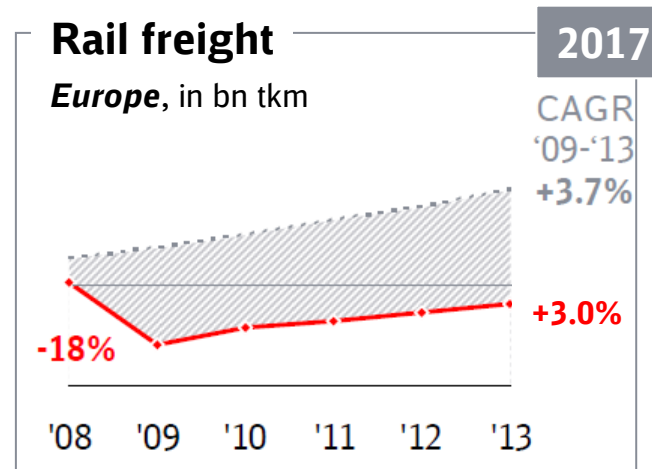
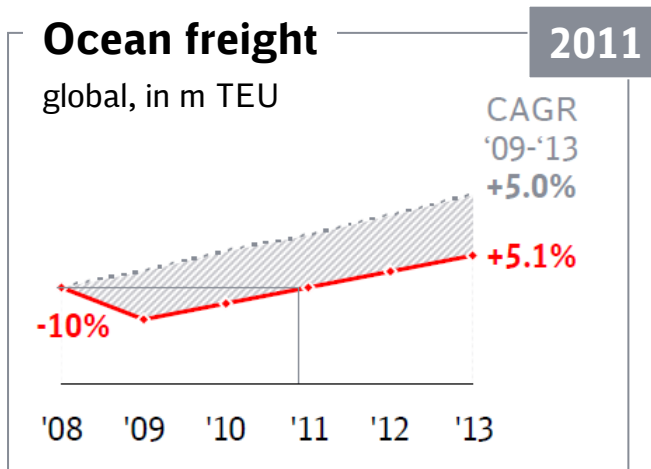
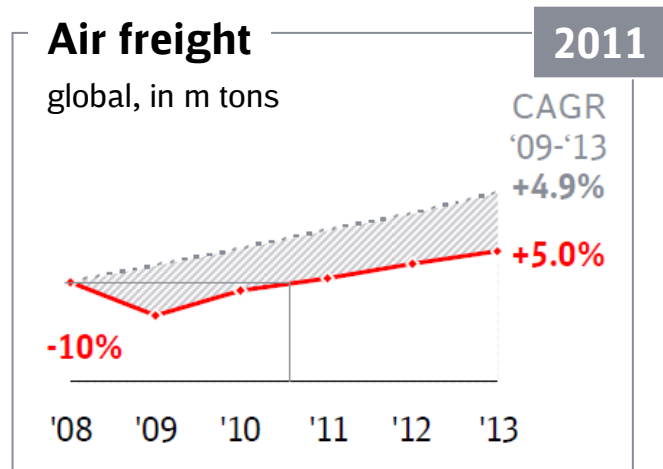
In 2009 we had to manage the worst global crisis since the Great Depression which left obvious marks



Challenging market environment

- n **Global trade** has become far more **vulnerable** to economic downturns due to globalized supply chains
- n **Emerging markets** have become even more **important** through the crisis
- n Negative global GDP growth caused collaps of global trade
- n **Key industries** for DB Schenker **hit hard**
- n **High uncertainty** lead to exceptionally **high volatility** in rates and demand
- n **Increased competition** based on prices

Regarding the worldwide transport market, it will take time to reach the 2008 volumes



— Forecast SMP BP 2008 — PPZ 2010 20xx Approximate year of return to 2008 level

Source: SMP BP 2008/2009, market models DBS LT/SCM, international press
 DB ML AG, Dr. Karl-Friedrich Rausch, July 6, 2010

Due to its business model DB Schenker Rail was crisis-prone

Crisis-prone business model

- n Rail DB Schenker Rail has a **clear customer focus** with the key sectors: automotive, crude steel and chemical industry
- n **Revenue** mainly generated by **key-accounts**
- n **Asset heavy:**
DB Schenker Rail runs its own fleet with over 3,000 locomotives and 110,000 waggons

Lessons learned – measures taken

- n **Reorganization:** productivity improvement through process-orientated reorganization
- n **Redimensioning:** cost reduction through optimization of network structure
- n **Netzwerkbahn:** improve productivity and service reliability through modified production philosophy
- n **Quality:** ensure customer oriented service quality

DB Schenker Logistics' business model has helped to master the crisis

Resilient business set-up

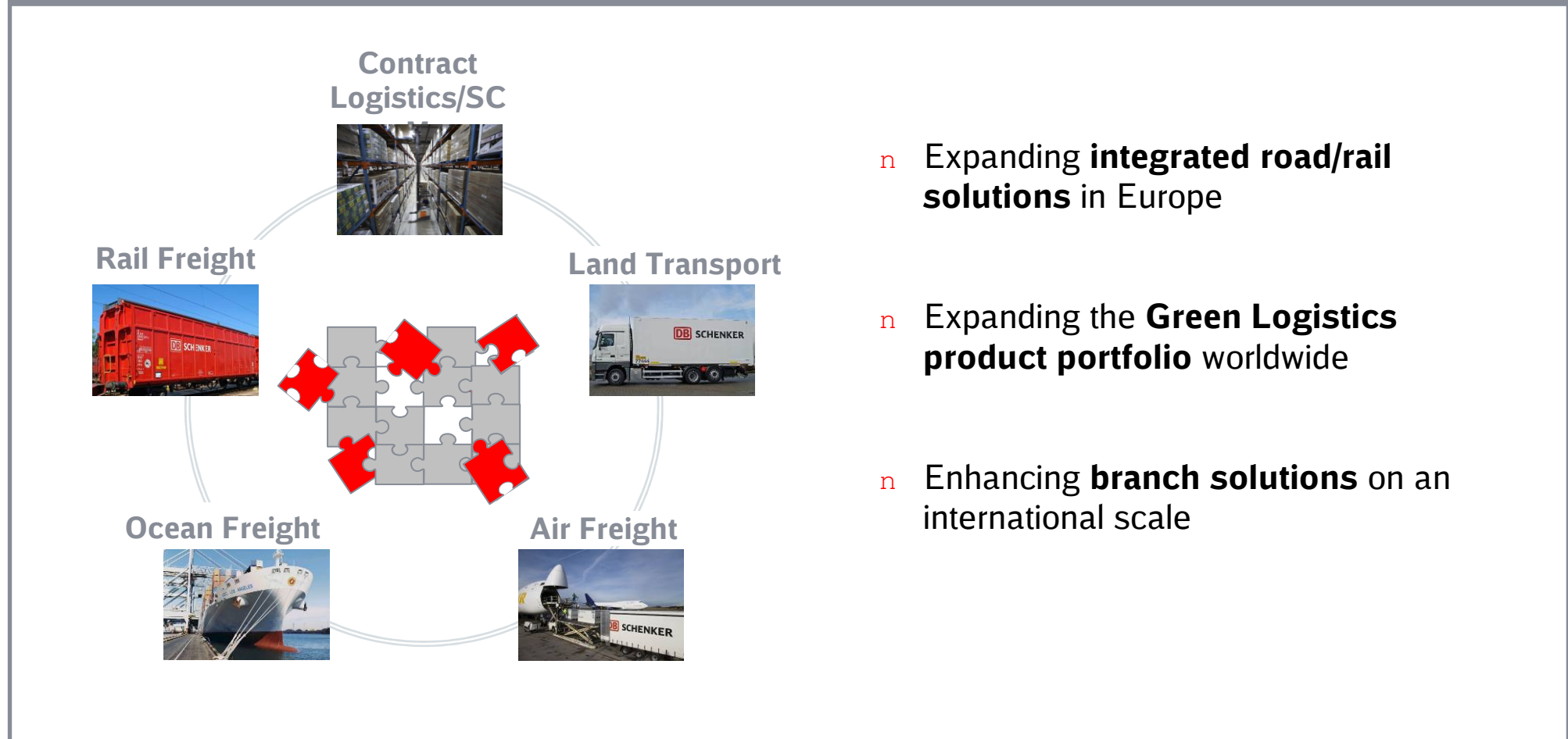
- n **Balanced segment mix** (Air/Ocean, Land Transport, Contract Logistics/SCM), **broad industry coverage** and **global footprint** reduce risk exposure
- n Balanced mix of large and small / medium customers **generates volumes while limiting dependence**
- n **CL/SCM business** helps to stabilize the business through long-term contracts and spill-over effects into the networks
- n Strict measures **regarding staff capacity and operational cost have been taken early on**

Lessons learned – measures taken

- n **Hot spots:** Restructure and turn around businesses that suffered most from the financial crises
- n **Cost management:** Strict measures regarding staff capacity and operational cost
- n **New IT Landscape:** Implement a new IT landscape and more efficient business processes to ensure future competitiveness

Apart those crises specific actions DB Schenker focuses on integrated and sustainable logistics solutions, because...

Expanding integrated services

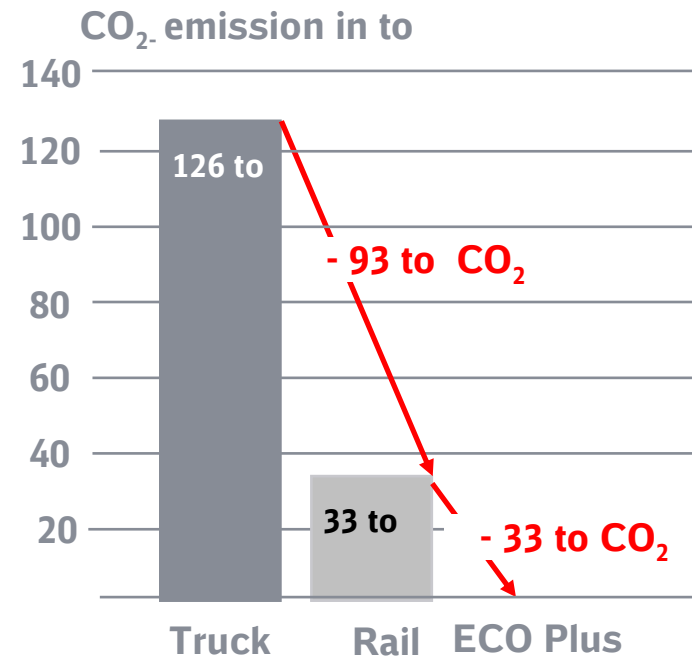


- n Expanding **integrated road/rail solutions** in Europe
- n Expanding the **Green Logistics product portfolio** worldwide
- n Enhancing **branch solutions** on an international scale

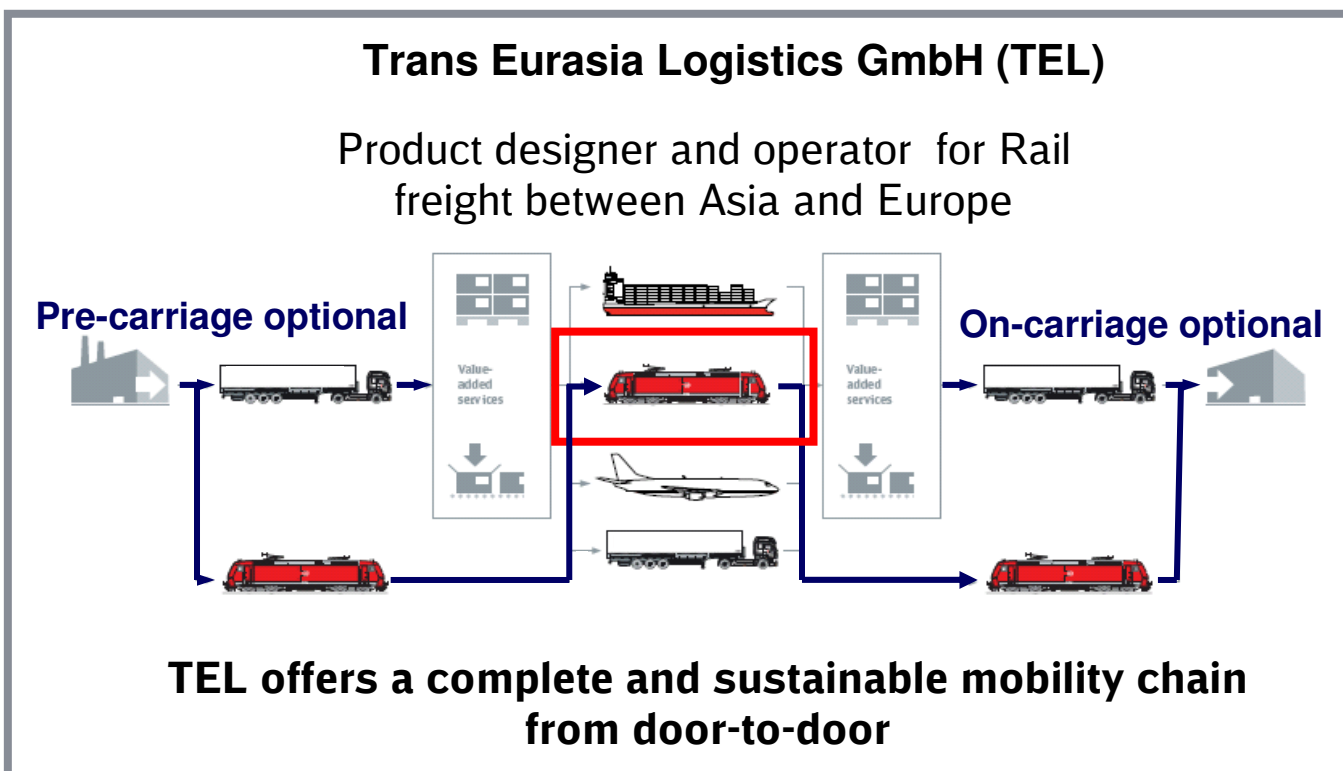
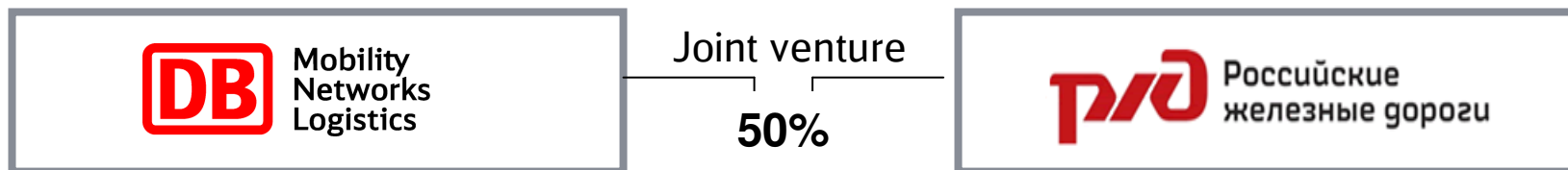
...sustainability / reducing CO₂-footprint will be a competitive edge in the future

ECO Plus – CO₂-free rail freight transport

- n For the product ECO Plus only **renewable sources of energy** are used
- n **Example:** CO₂-emissions of a 1,000-ton transport with average goods from Berlin (Germany) to Saint Petersburg (Russia)



Furthermore Russia as the link between Europe and Asia becomes increasingly important for us



Rail freight offers clear advantages regarding

- n costs
- n reliability
- n running times