



Wagonload

Challenge and opportunity for European rail freight

DB Schenker Rail

Dr. Alexander Hedderich

L.R

St. Petersburg, 7.7.2010

With its nine different business segments DB has generated a revenue of almost 30 bn Euro in 2009

DB Mobility Networks Logistics ¹⁾

- Nr. 2** Public transport in Europe
- Nr. 2** Passenger rail transport in Europe
- Nr. 1** European rail freight transport
- Nr. 1** European land transport
- Nr. 1** Biggest rail network in Europe

Revenue (EUR bn)	29,3
EBIT (EUR bn)	1,685
Employees ('000)	239

DB **BAHN**

DB Bahn Long Distance

Revenue (EUR bn)	3.565
EBIT (EUR bn)	141
Employees ('000)	15

DB Bahn Regional

Revenue (EUR bn)	6.856
EBIT (EUR bn)	870
Employees ('000)	25

DB Bahn Urban

Revenue (EUR bn)	1.985
EBIT (EUR bn)	100
Employees ('000)	13

DB **SCHENKER**

DB Schenker Rail

Revenue (EUR bn)	4.055
EBIT (EUR bn)	-189
Employees ('000)	34

DB Schenker Logistics

Revenue (EUR bn)	11.292
EBIT (EUR bn)	199
Employees ('000)	57

DB Services

Revenue (EUR bn)	1.237
EBIT (EUR bn)	125
Employees ('000)	24

DB **NETZE**

DB Netze Track

Revenue (EUR bn)	4.369
EBIT (EUR bn)	558
Employees ('000)	40

DB Netze Stations

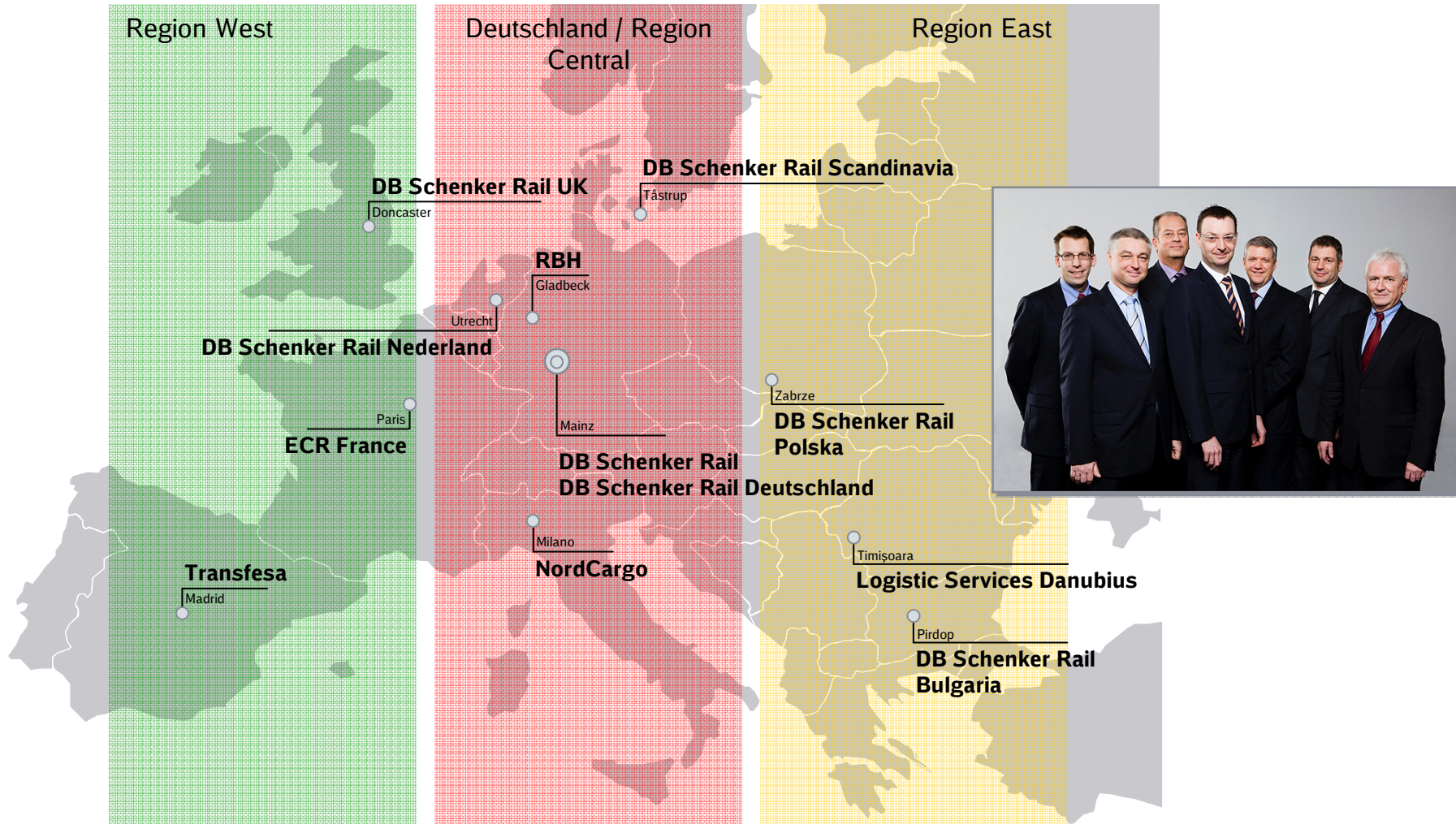
Revenue (EUR bn)	1.025
EBIT (EUR bn)	217
Employees ('000)	5

DB Netze Energy

Revenue (EUR bn)	2.308
EBIT (EUR bn)	103
Employees ('000)	2

As of 31.12.2009, revenue as total revenue, ¹ Difference between the sum of the segments and DB concern result of other activities/consolidation

DB Schenker Rail operates a European network showing a strong footprint in Germany



DB Schenker Rail in 2009



94 billion ton kilometers transport performance

341.0 million tons of rail freight transported

Approx. 4,739 freight trains each day across Europe using a versatile fleet of

3,400 locomotives and 113,600 freight cars

34,145 Employees within the whole Group

3,791 million € revenue





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Wagon load can be considered the backbone of rail freight in Europe yet it is difficult to operate profitably

Key facts about European single wagon load

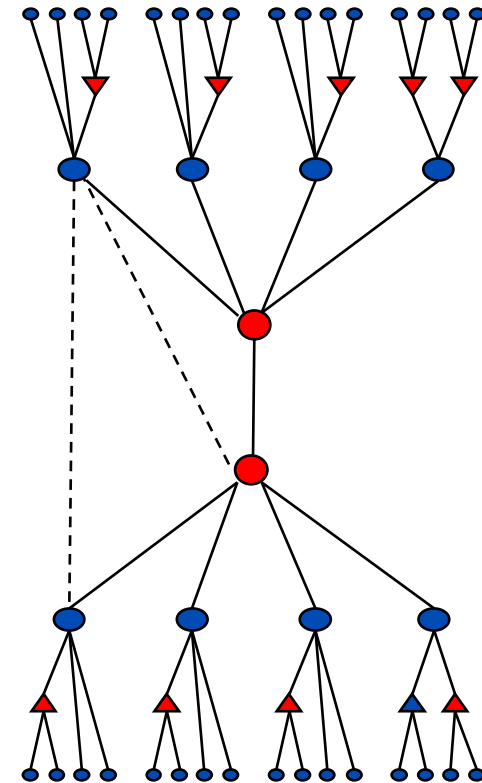


- About 50 percent of European rail freight is operated through single wagon load networks
- Customers demand national as well as European networks providing area-wide coverage at high quality and low prices
- Transport of individual wagons or wagon groups is considered indispensable for many industries
- 50 per cent of wagons for the steel industry in Germany are transported using the single wagon load network
- Studies on single wagon load show high growth potential if customer expectations can be met in the long term

Reduction of single wagon load services has major impact on profitability; if reduced below a critical level, a significant impact on customer service can not be ruled out

Main characteristics of single wagon load

- Comprises any shipment less than a full train
- Ideal solution for small to medium-sized consignments
- Consignments can be ordered with utmost flexibility of schedule, quantity and routes
- High amount of resources needed to provide extensive geographical coverage and remain competitive
- Complex structures and high demand for resources account for an operationally demanding and costly system
- Sufficient traffic volumes needed within the system in order to be operated successfully
- If volumes fall below a critical level the whole system is endangered

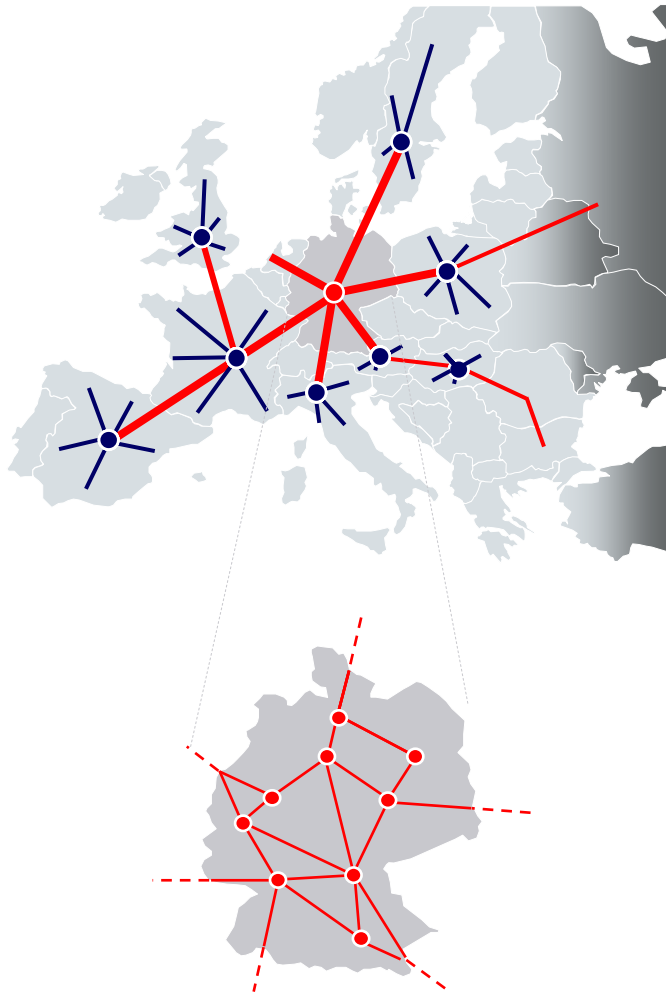


In order to make single wagon load more attractive and efficient, seven European players have formed the Xrail alliance



- Alliance between state-owned railway companies to establish a new quality standard for international single wagon load
- Strives to improve the competitiveness of international single wagon load compared to road transport
- Major players covering a significant big part of the international single wagon load network in Europe
- Open to everybody and focussing on the operational aspects of single wagon load
- Partners work on a common approach to capacity management to ensure long-term success

Single wagon load represents one of the most important opportunities for European rail freight at present



- DB Schenker Rail notes with concern the withdrawal of some partners in Europe from either the Xrail alliance or wagon load business
- DB Schenker Rail is convinced that a powerful European network will also have positive impact on national systems
- With Xrail, DB Schenker Rail is working together with the main European partners on an effective European wagon load network

DB Schenker Rail has given a clear commitment to both European and national single wagon production that offers its customers the flexibility they demand

- DB Schenker Rail will not cut back its wagon load network but is instead modernizing its network of operations
- DB Schenker Rail will expand rail access for customers without sidings via co-modal solutions



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