DB Cargo

Company Presentation 2017

Agenda

Our company

Our strenghts

Our Services

Our strategy

With its eight business[1] units DB is active in all segments of the transport market

Passenger Transport:
Domestic and European-wide mobility services

- **DB Long Distance**
  Long-distance rail pass. transport[2]
- **DB Regional**
  Regional/urban pass. transport (GER)
- **DB Arriva**
  Regional/urban pass. transport (EU)[3]

Transportation and Logistics:
Intelligent logistics services via land,
air and the sea

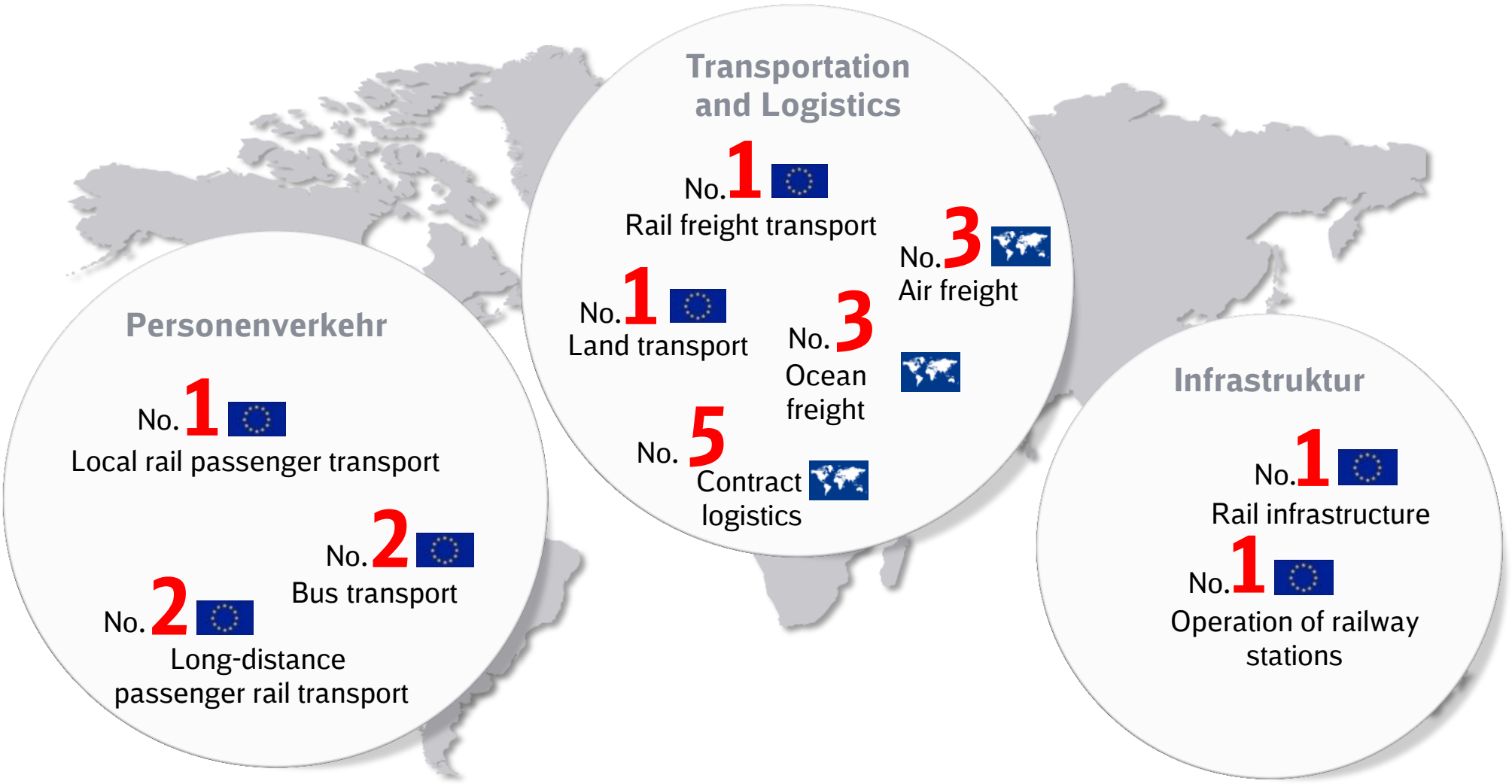
- **DB Cargo**
  European rail freight transport
- **DB Schenker**
  Global logistics services

Infrastructure:
Efficient and future-oriented rail infrastructure in Germany

- **DB Netze Track**
  Rail network
- **DB Netze Stations**
  Traffic stations
- **DB Netze Energy**
  Traction current

1 The former business unit DB Services has been dissoluted and its activities assigned to different divisions;
2 Within Germany as well as cross border traffic;
3 In UK with Arriva-affiliate 'CrossCountry' also long-distance passenger transport
Source: Deutsche Bahn AG

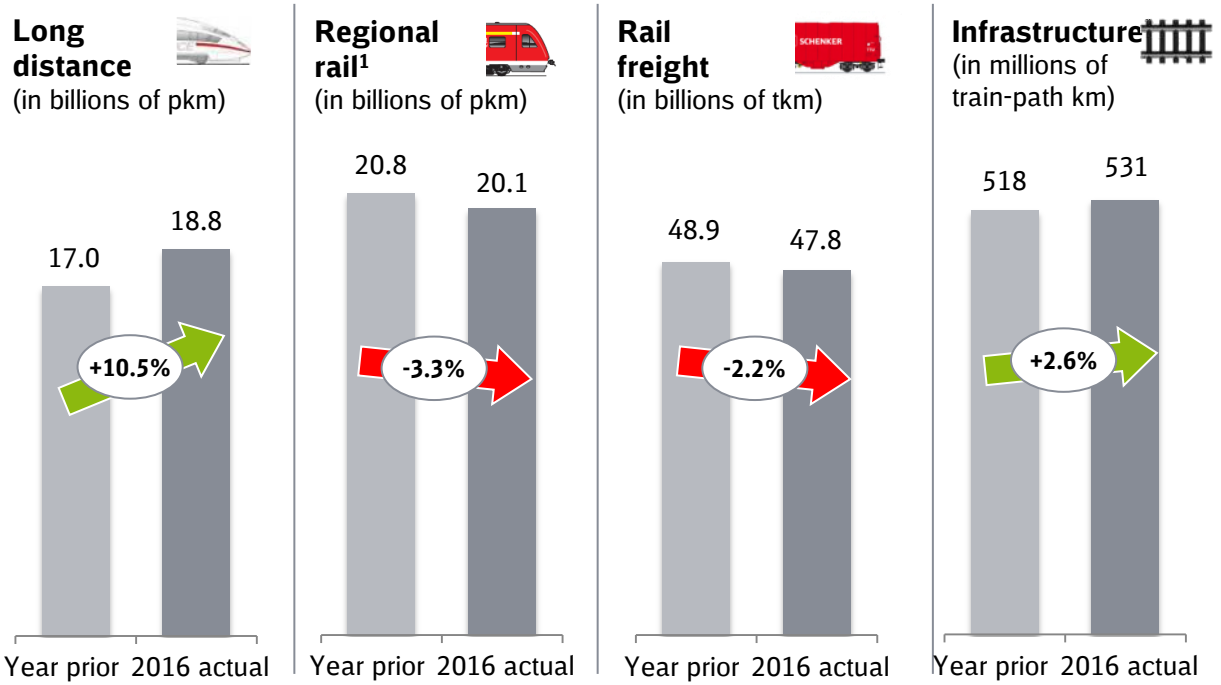
We hold leading market positions in Europe and the world



Source. Deutsche Bahn AG

Rise in long-distance service, drop in freight transport

Rail performance, year to date June 2016



1 Excluding DB Arriva; including Usedomer Bäderbahn; 2 Including Usedomer Bäderbahn

Source: Deutsche Bahn AG

The European network of DB Cargo
is being led functionally

Characteristics:

- The Management Board has been trimmed from eight to five board divisions and has a clear functional orientation.
- All divisions are responsible for the entire DB Cargo network across Europe.
- All national companies are additionally assigned to a board division.

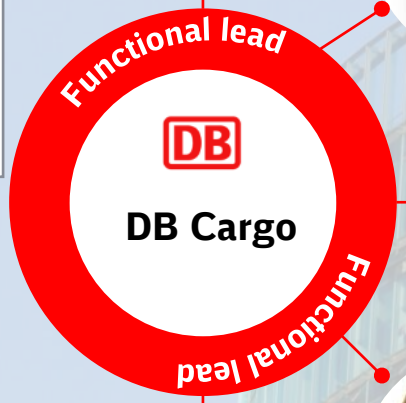
Jürgen Wilder
Chairman (CEO)

Raimund Stüer
Sales & Marketing (CSO)

Matthias Reichel
Finance & Controlling (CFO)

Ursula Biernert
Human Ressources (CHRO)

Michael Anslinger
Production (COO)



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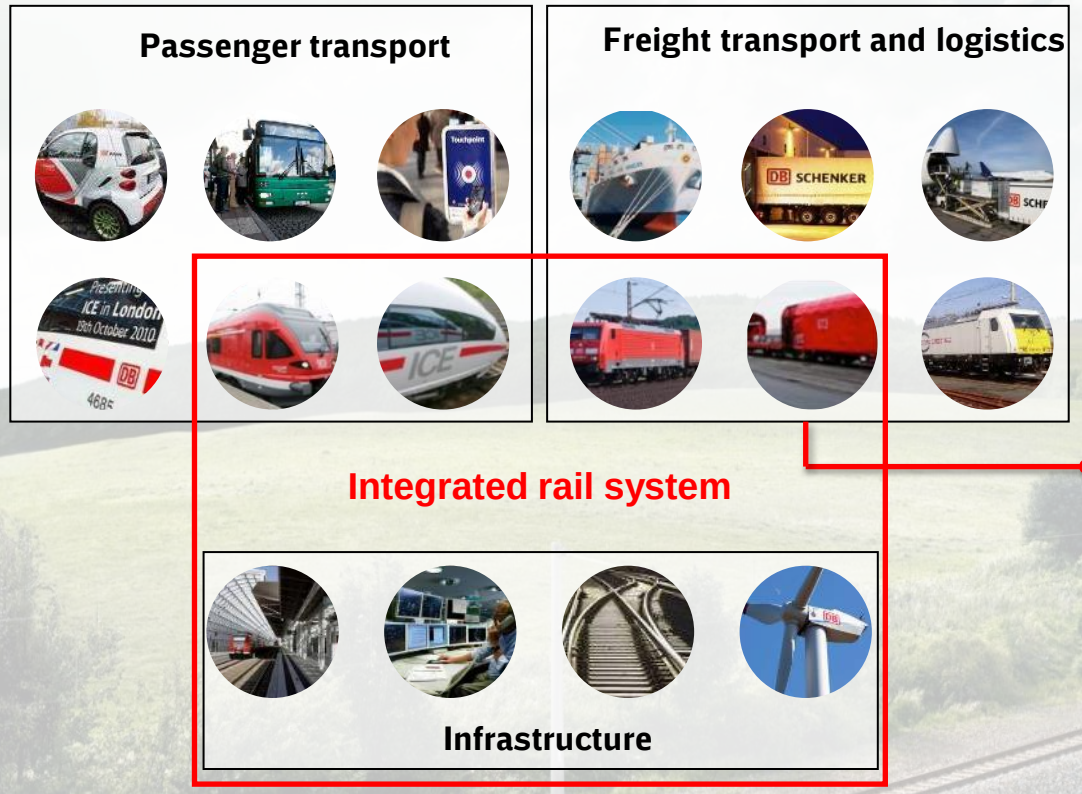
DB Cargo
is part of a strong Group



European network
- **16** country-organizations in Europe
- **60%** of transport services are pan-European

Environmental friendliness
- CO_2 reduced by **18,300**[1] **metric tons** each day

Multimodal logistics solutions
- **4,200** private sidings and terminals provide access to one of the world's largest rail networks

Fleet capacity

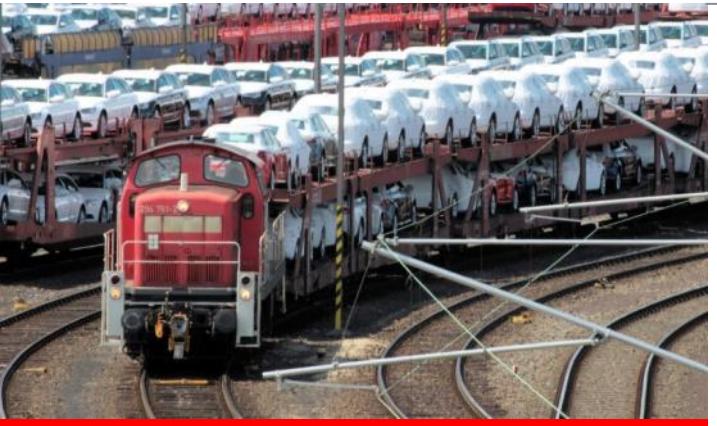
Largest fleet of locomotives and wagons in Europe
- **87,264** wagons[1]
- **2,869** locomotives[1]

Certified quality

Plus a number of additional certificates:
- **ISO 9001**: Quality management
- **ISO 14001**: Environmental management

[1] Compared with alternative transport by truck
2 DB AG 2015 Integrated Report Facts & Figures

DB Cargo has a strong European network and is the number one in European rail freight transport



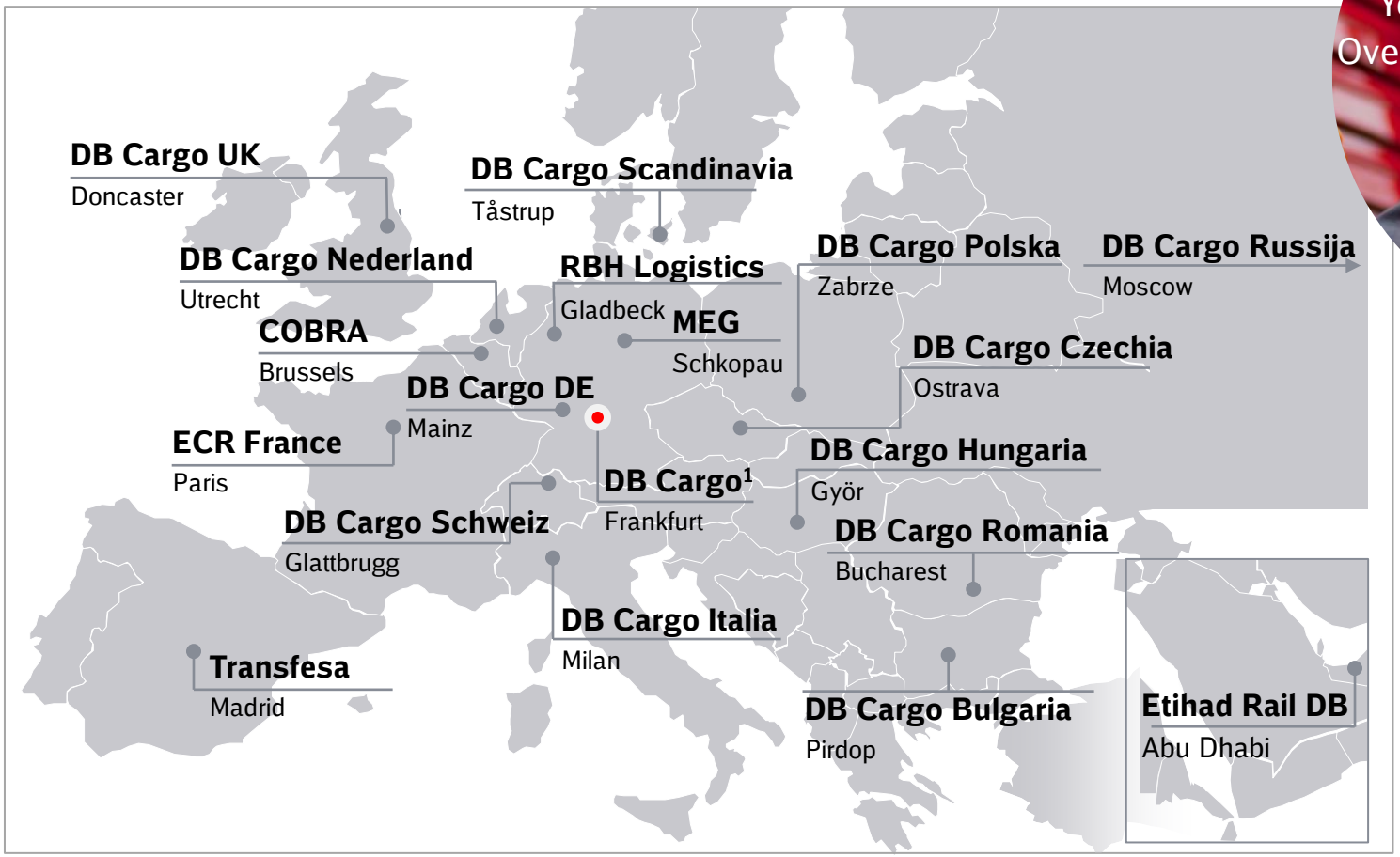
DB Cargo in 2015[1]	
Revenues	EUR 4,767 m
EBIT	EUR -183 m
Employees (FTE)	30,303
Metric ton km	98,445 m tkm
Freight carried	300 m. t
Fleet[1]	2,869 / 87,264
Avg. dist. transported	313 km

1 Integrated reporting DB AG Facts and Figures 2015

Profile

- With some **4,200 private customer sidings in Europe**, DB Cargo offers its customers access to one of the world's largest rail networks
- DB Cargo's **international network** follows the major European rail freight corridors
- DB Cargo offers European rail transport in the form of **block train, single wagonload** and **multimodal services**
- **Tailor-made transport and logistics solutions** are also available as additional services that can link the rail mode with road (trucking) and ocean freight service
- The **key industries** served by DB Cargo are metals and coal, chemicals, automotive, building materials, industrial and consumer goods, and intermodal transport
- DB Cargo's customers are primarily **key accounts**
- Most of DB Cargo's services are carried out using its **own fleet** of locomotives and freight cars

DB Cargo offers its customers
a comprehensive European network

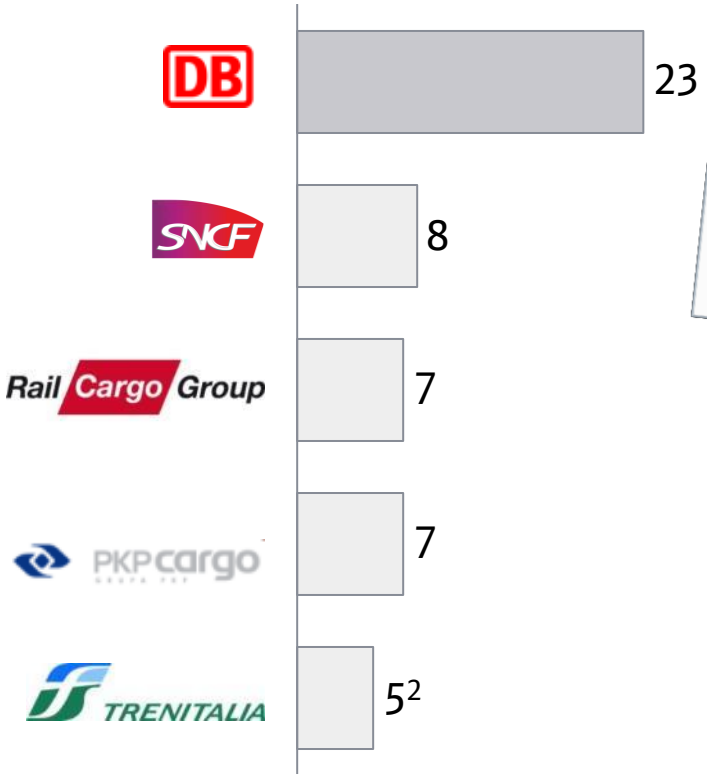


1 European Headquarter

DB Cargo is clear No. 1
in European rail freight

Leading position in Europe…

Market share 2015e, in % based on tkm[1]



… based on substantial strengths

European Network
Strongest inter-national network

Industry expertise
In-depth industry know-how

Rail logistics solutions
Products tuned to customer needs

Fleet capacity
Largest fleet of locos and wagons in Europe

People
Experienced, engaged employees

Eco-efficiency
Rail as "greenest" transport mode

Safety
High safety performance in operations

Financial stability
under strong DB brand

1 Partly based on estimation, incl. subsidiaries
2 data 2014

With its services, DB Cargo forms an important backbone of the European economy

DB Cargo…

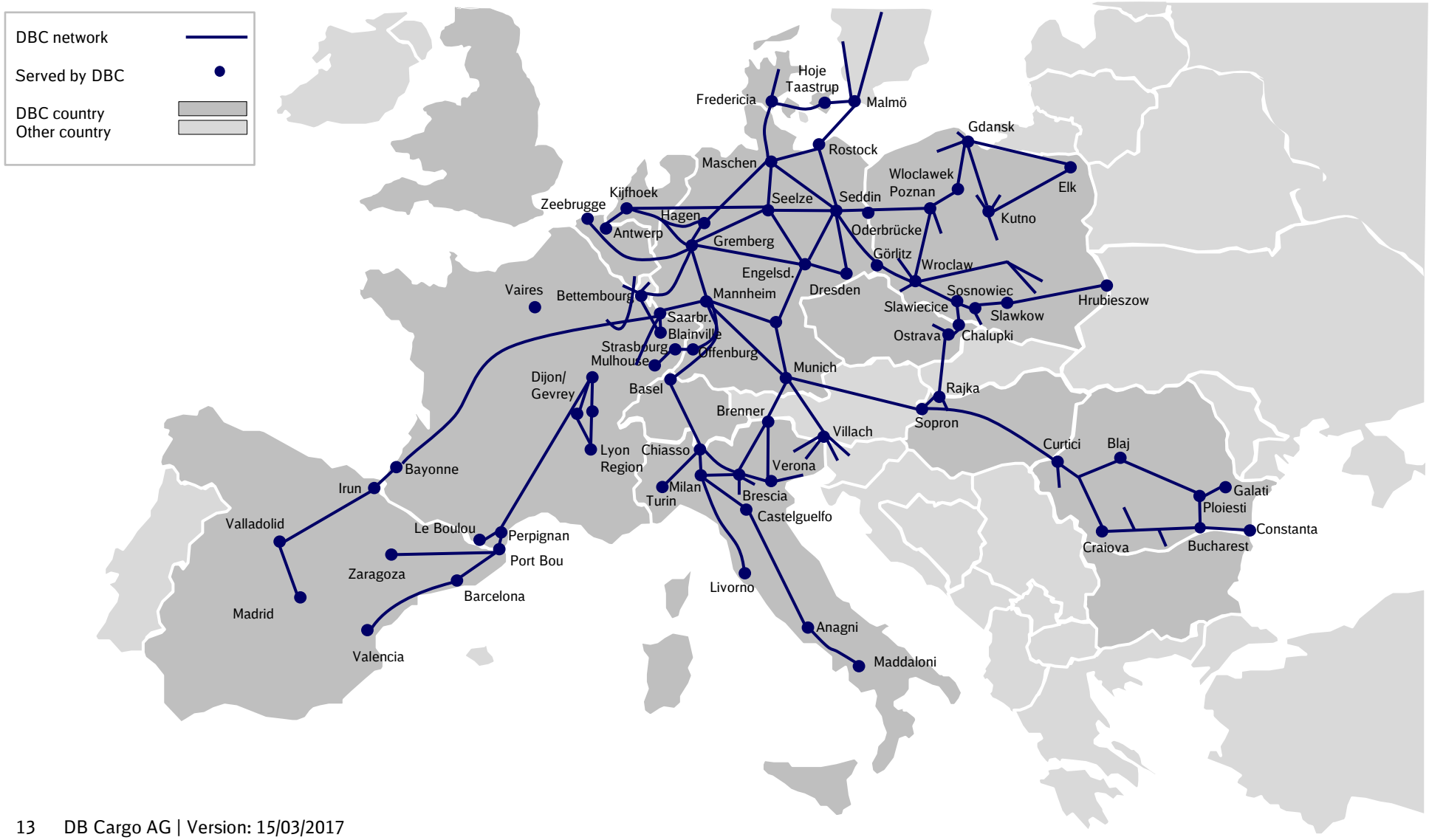
… runs **4,500 trains** daily and **orbits the Earth 13 times per day**

… is with its 30,303 employees in 16 country-organizations the **world's most international railway**

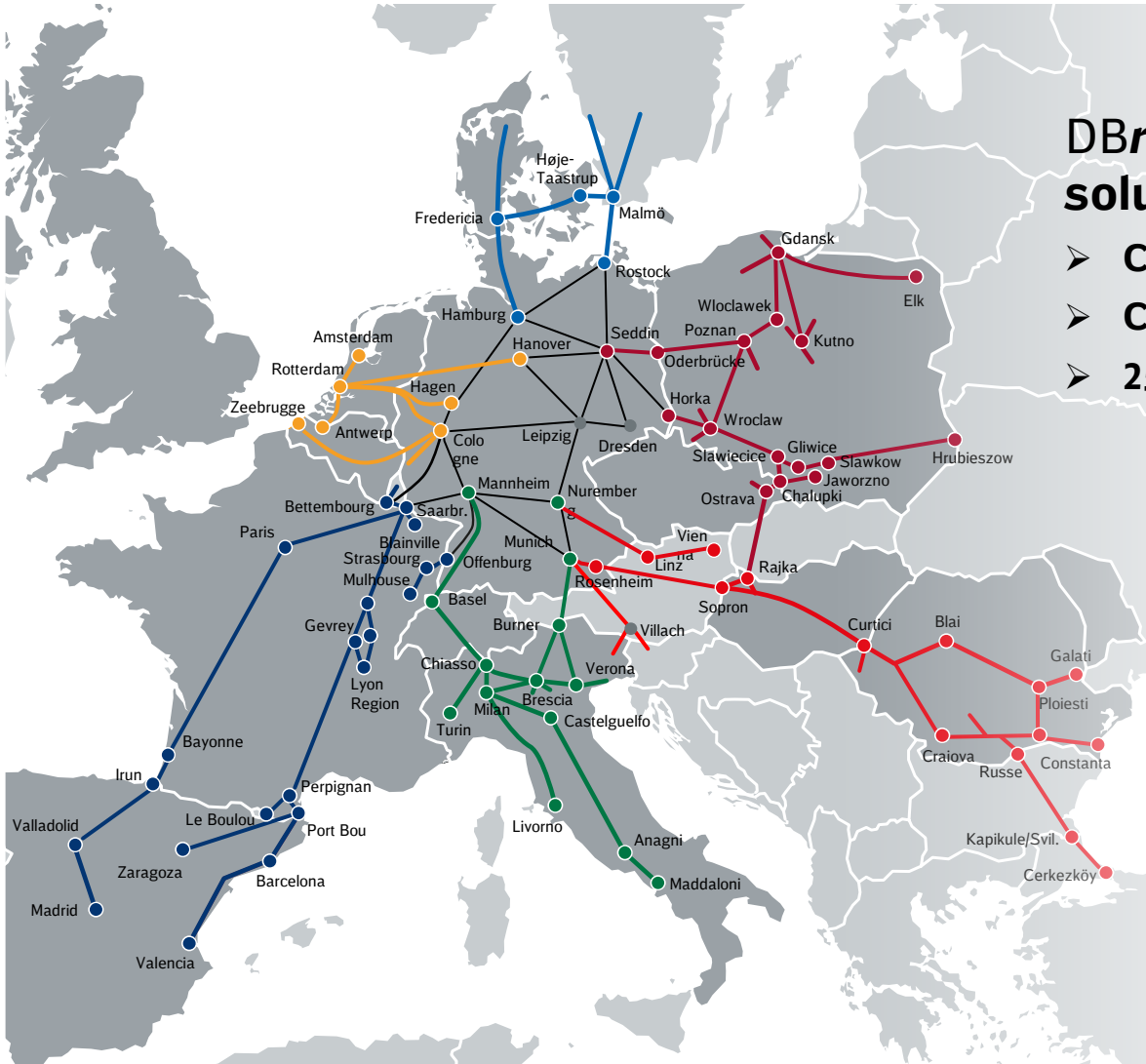
… could use its 2,869 own locomotives and 87,264 freight wagons to build **a train** stretching **from Berlin to Bucharest**

… **28,565** new and retrofitted **cars with whisper breaks** by end 2015

DB Cargo provides single wagon solutions
throughout the whole of Europe



DB Cargo's European products are part of a strong international network



DB*railnet* offers single wagon solutions throughout Europe:

- **Connects over 33 economic centers**
- **Connects over 1,500 freight terminals**
- **25% market share in Europe**

DB*railnet Italy*

DB*railnet France*

DB*railnet Benelux*

DB*railnet Scandinavia*

DB*railnet Polska*

DB*railnet Southeastern Europe*

Agenda

Our company

Our strenghts

Our Services

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DB Cargo offers a wide range of services and industry products, supplemented with additional services

Core products

Block train transport

For transporting large volumes within the European transport network

Single wagon transport

For transporting small to mid-size volumes within the European transport network

Container logistics

Combines rail transport with other modes, including first and last mile by road and terminal handling

Additional services

Door-to-door logistics services

Door-to-door transport and logistics solutions

Rail logistics

Intermodal logistics solutions, including Railports

Sidings

Set up and maintenance of private sidings

Maintenance

Range of operational maintenance services (locomotives, wagons)

Eco Plus

Entirely carbon-free transport of goods

DB Cargo offers expertise in key industries

Selection

Daimler RailNet

- Delivers to European plants by rail and road
- **Intermodal deliveries to plants** and **innovative transshipment technologies** in four countries in Europe
- Cargo consolidated and sorted in a **hub-and-spoke system** for flexibility and frequent departures

KombiTerminal Burghausen

- **First anniversary in January 2016:** established to optimize the transport network for Europe's chemical industry
- Connects the **ChemDelta Bavaria** to German seaports to facilitate global transport
- Customer-focused **supply chain solutions**

Coffee transport for international food manufacturers

- Transport services with a total annual volume of some **120,000 metric tons** of green coffee from Bremen to Berlin since 1993
- The international food manufacturer was the first customer to use **EcoPlus**.

Customized solution for Frankenbach

- Transport **rerouted through Venlo** in early 2015 in preparation for construction on the **Betuwe Line**
- **High-quality** connection **with a 90% on-time rate**
- **End-to-end deployment** of traction units and train drivers

Award for aluminum transport for Novelis

- DB Cargo UK honored at the **National RAIL Awards** in London
- **Shifts** transport **from ship to rail**
- Aluminum bars from the UK to Germany, aluminum coils from Germany to the UK

DB Cargo's in-depth expertise in key industries translates into solutions that meet customer needs

Metals & Coal

Automotive

Focus sectors

Chemicals, Oil & Fertilizers

Intermodal

Building Materials, Industrials & Consumer Goods

Industry solutions

- DB Cargo offers profound knowledge and experience in key rail industries
- Solutions adapted to specific industry needs ensure that quality, reliability and safety standards are met on all types of transports

Examples

- **DB*chem-solution*:** Safe, fast and reliable solutions for time-sensitive chemical and dangerous goods transports in Europe
- **Automotive RailNet:** European-wide railway network with customized solutions for vehicle parts and complete vehicle transports in high frequencies
- **DB*paper-solution*:** Specific and reliable service package for the pulp and paper industry linking its most important production sites

The customers of DB Cargo benefit from a highly diverse wagon fleet

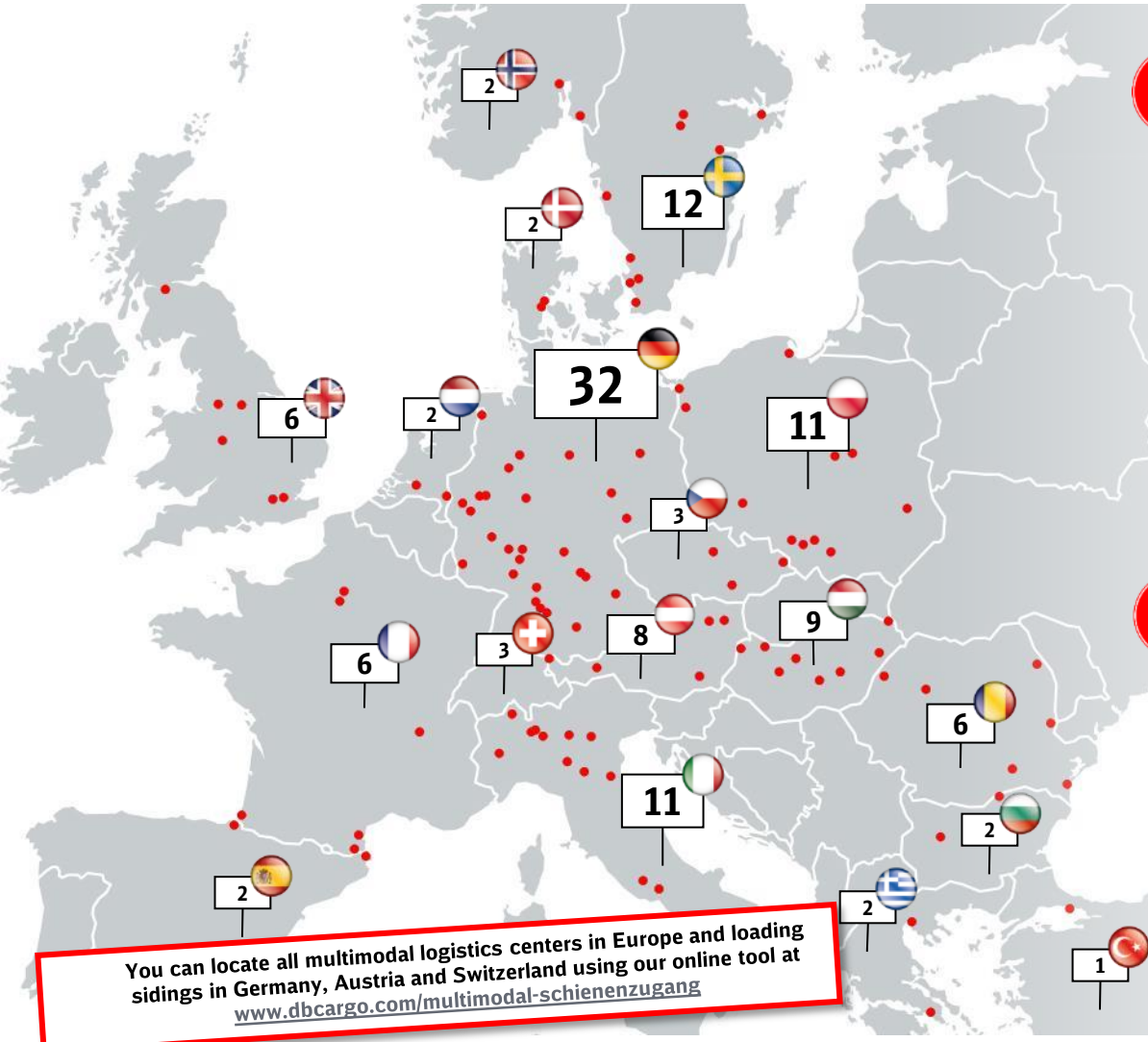
Wagon fleet DB Cargo

GERMANY

Number of wagons 2015

- With our large wagon fleet we can offer **broad transport solutions in Europe**
- **Highly diverse fleet** with 318 wagon species (in Germany)
- Provision of **special equipment** for complex requirements (e.g. dangerous goods)

Over 100 multimodal logistics centers:
your door to Europe-wide logistics services



You can locate all multimodal logistics centers in Europe and loading sidings in Germany, Austria and Switzerland using our online tool at www.dbcargo.com/multimodal-schienenzugang

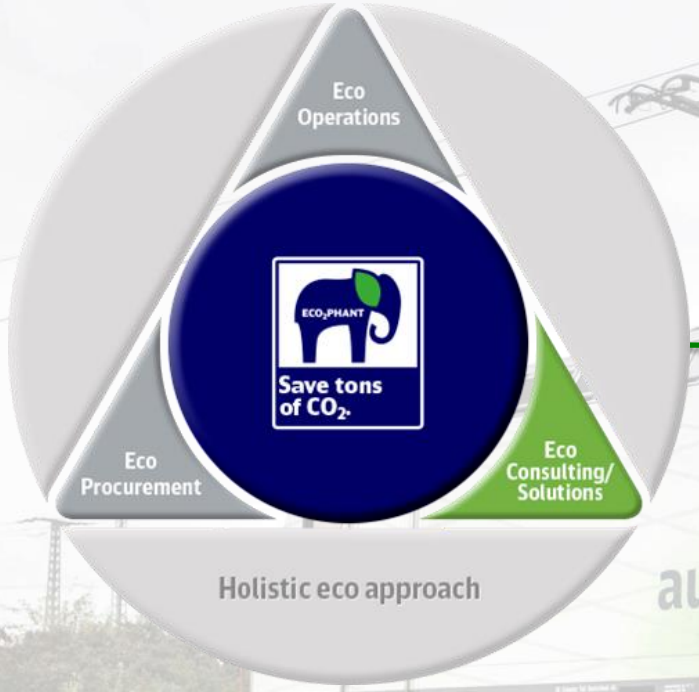
Our logistics services for you:

- Organization of collection and delivery by truck
- Transshipment
- Open-air and warehouse storage, freeing up more of your warehouse capacity
- Order picking, delivery on call, regional just-in-time/just-in-sequence transport, consignment tracking

Your advantages:

- No private siding needed for combined rail/road transport
- All aspects organized by us
- Wide range of goods (including small volumes, e.g. palletized goods)
- Fast, economical and environmentally friendly transport

Eco Solutions help you become an **eco-pioneer**



Eco Consulting
We help you reduce your carbon footprint

100% renewable energy **DBeco Plus**

Eco Neutral
Compensate for remaining transport emissions by supporting certified climate protection projects

Transport your freight **100% CO_2-free** by rail

100% renewable energy from local sources, primarily hydropower plants

The method is **TÜV SÜD certified**

New power plant bonus

- 10% of DB's revenues from EcoPlus are used to promote **innovative power plants for renewable energy**
- Example: Berlin Südkreuz, a rail station of the future

Available in **Germany and Austria**

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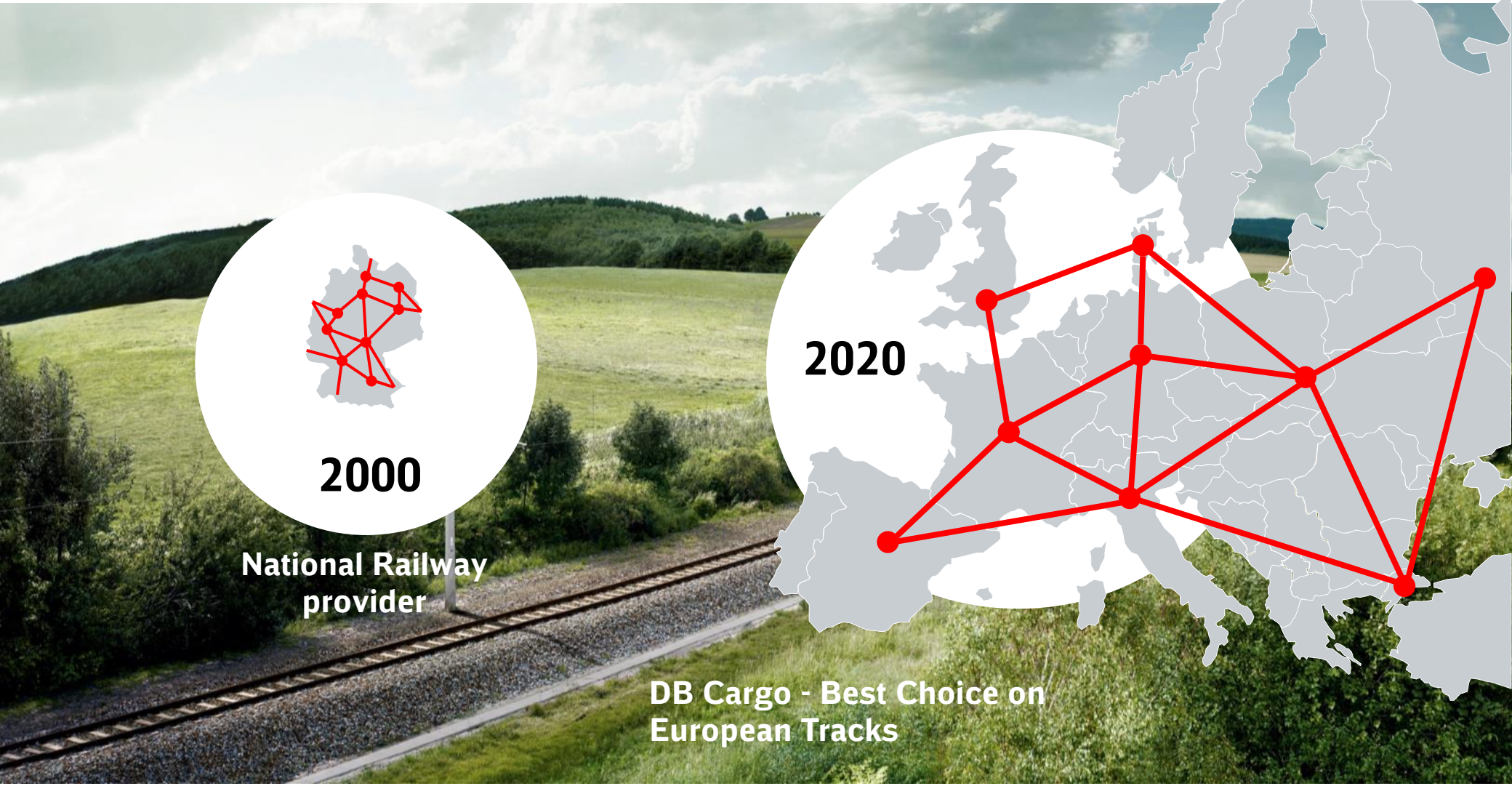
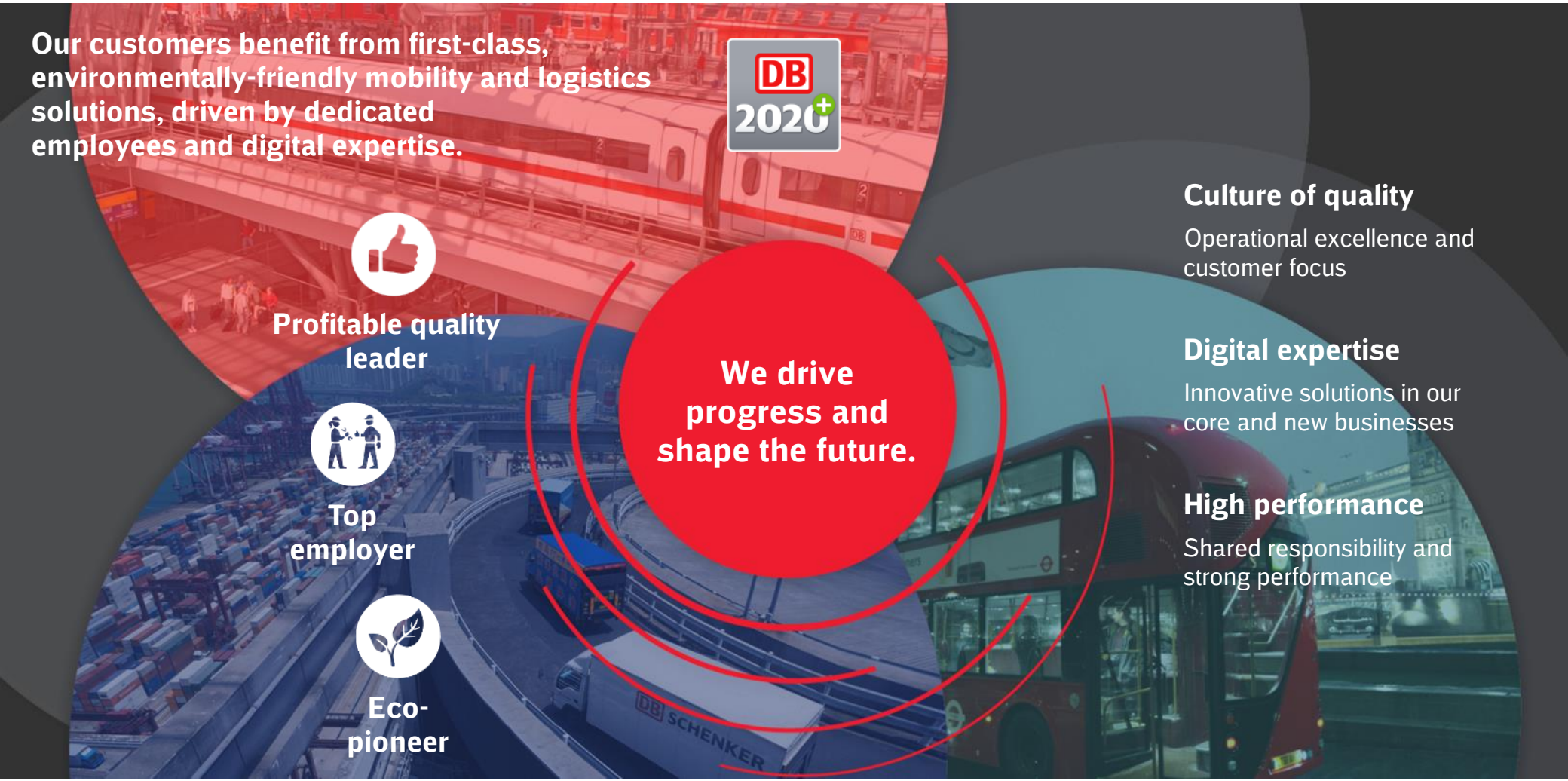
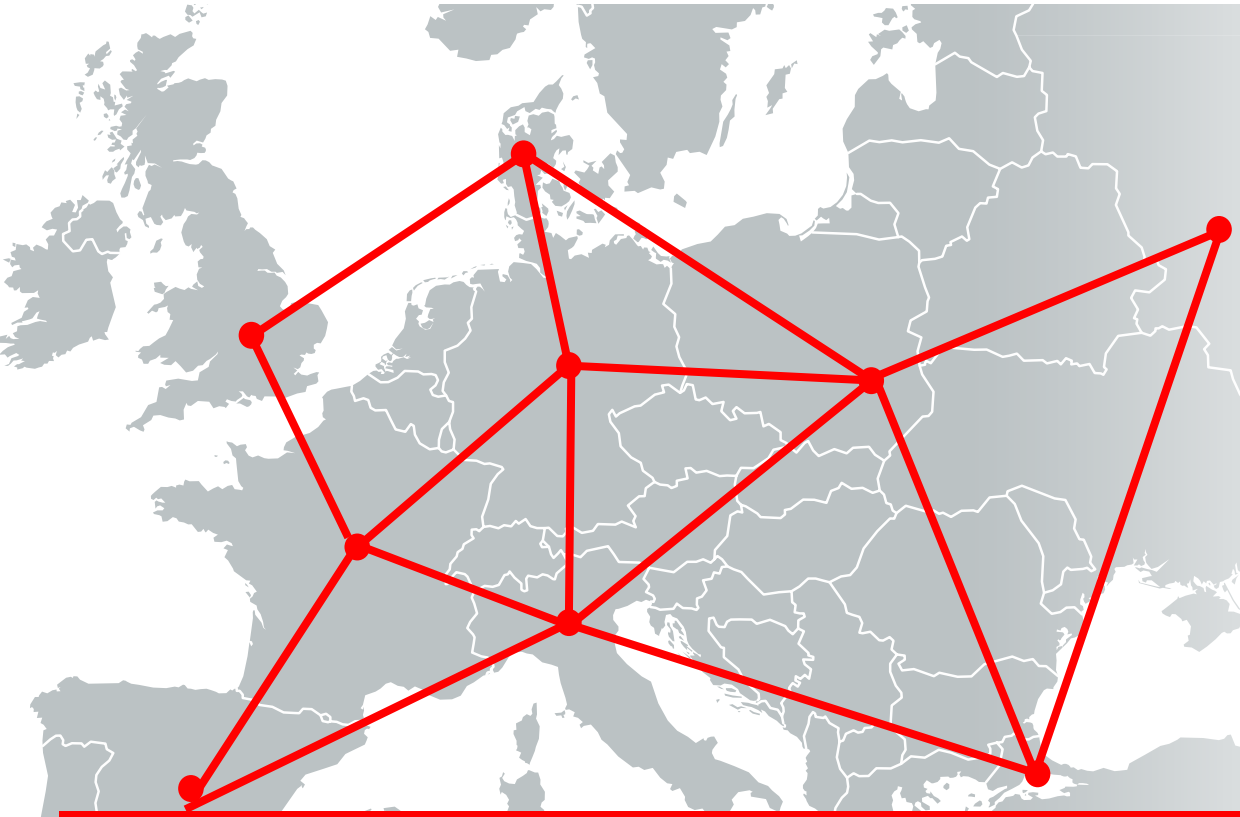
Our vision is to be
the Best Choice on European Tracks



Our ambition: strengthening our focus on quality and carrying out necessary processes of change



Zukunft Bahn: Working together for better quality, more customer focus and greater success



DB Cargo's objectives

- 95% compliance with our service commitment to customers
- Competitive cost structures
- Growth ~ 1 percentage point above European rail freight transport market level

- Leading rail freight transport company in Europe
- Quality network
- Competitive
- Innovative transport concepts
- Profitability and ROI in line with the market

Components

Improving quality
Improving stability of operations
Optimizing regional service

Increasing productivity & efficiency
End-to-end responsibility for transport services, more flexible working conditions for train drivers, optimizing the operational structure

Growth
Increasing network utilization, winning back market shares and establishing professional yield management, strengthening the European network

Automation and digitalization boost our efficiency and productivity

Selection

TechLOK

- Intelligent rolling stock **increases productivity**
- **"TechLOK"** as the basis for
  - science-based operation and
  - condition-based maintenance
- Higher **quality** and greater **reliability**
- Introduction into the fleet has already begun

Driver assistance

- Driver assistance systems help teach our drivers **energy-efficient driving**
- In pilot tests, energy use was cut up to 10%
- **Overall effect** roughly **5% to 7%**
- Preparations for implementation under way

Automatic start-stop

- Locomotives retrofitted with automatic start-stop to **reduce energy consumption** and their environmental impact
- Introduction in progress: 306 switching locomotives in Germany, 90 main-line locomotives in the UK
- Saves **4,500 metric tons CO_2** and reduces **emissions by 10%**

Mobile communication

- **4,600** train drivers, team leaders and trainers at DB Cargo in Germany have been given tablets since mid-2014
- Europe-wide introduction started – **improves quality in cross-border transport**
- **7 metric tons of paper** saved, contributing to climate and environmental protection

Our sustainable strategy describes our path to the future

DB 2020+

Our vision:
DB Cargo –
best choice on European tracks

Economical

Profitable quality leader
High quality for our customers in the European network and sustainable ability to invest

Green

Eco-pioneer
Leading environmental position and responsible actions

Social

Top employer
Attractive employer with a shared European identity and culture

BACKUP

European rail freight is a growth market

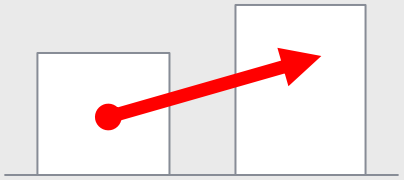
Market opportunities rail freight Europe

Growing Combined Transport business

Demand for logistics services

Rising need for resource efficiency

+ 1-2 % p.a.



2015 2030

Growth potential European rail freight

Growth prerequisites

Increase efficiency and improve quality

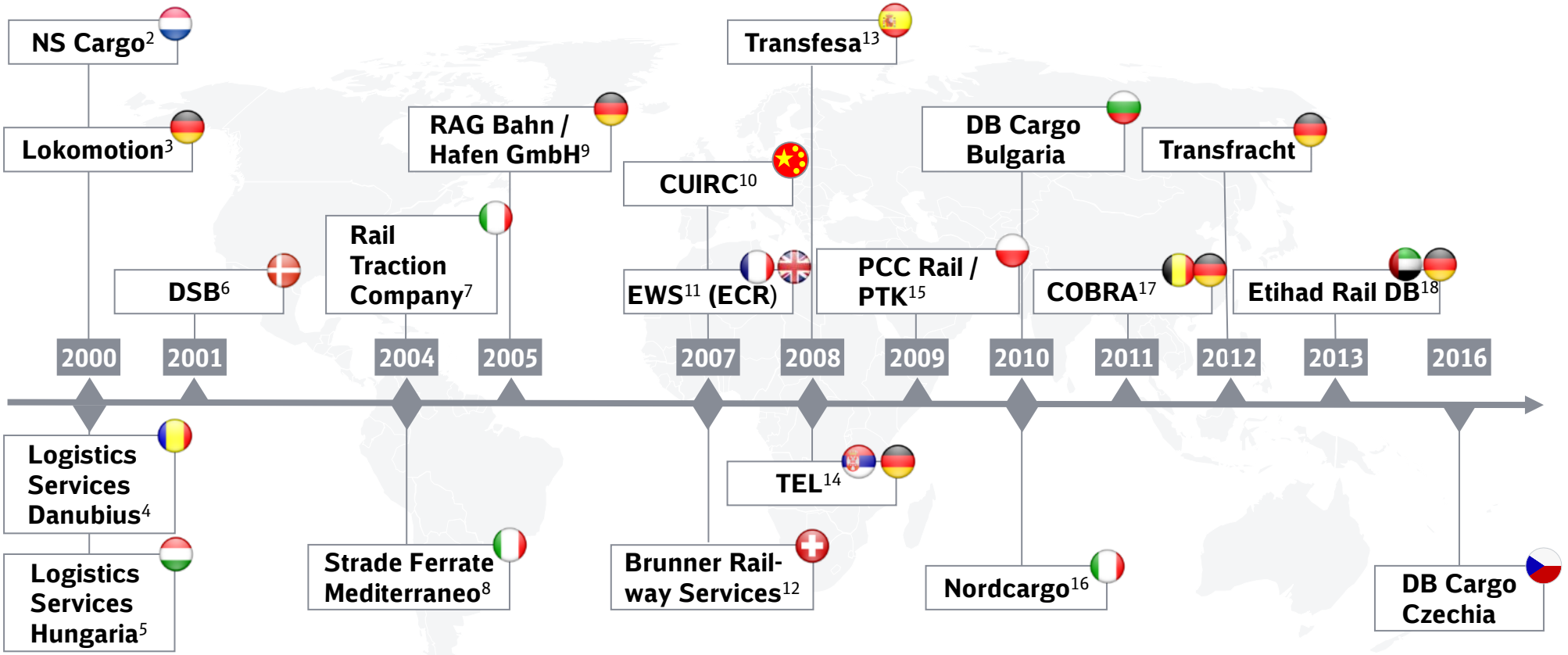
Avoid infrastructure shortages

Ensure resource availability

Provide suitable regulatory framework

DB Cargo has strongly internationalized its business during the last years

Subsidiaries / Shareholdings of DB Cargo[1]



1 Selection of companies, most are fully DB Cargo owned, if other – mentioned in brackets in the footnote 2 DB Cargo Nederland 3 Lokomotion (30%) 4 DB Cargo Romania 5 DB Cargo Hungaria 6 DB Cargo Scandinavia (51%) 7 Rail Traction Company (4,47%) 8 DB Cargo Italia 9 RBH Logistics 10 China United International Rail Containers (8%) 11 DB Cargo UK 12 DB Cargo Schweiz 13 Transfesa (77%) 14 TEL (DB 40%) 15 DB Cargo Polska 16 DB Cargo Italia (60%) 17 COBRA (51%) 18 Etihad Rail DB (49%)