

# Rail Cargo Group

Your partner in Europe

Corporate presentation  
Status: June 2016



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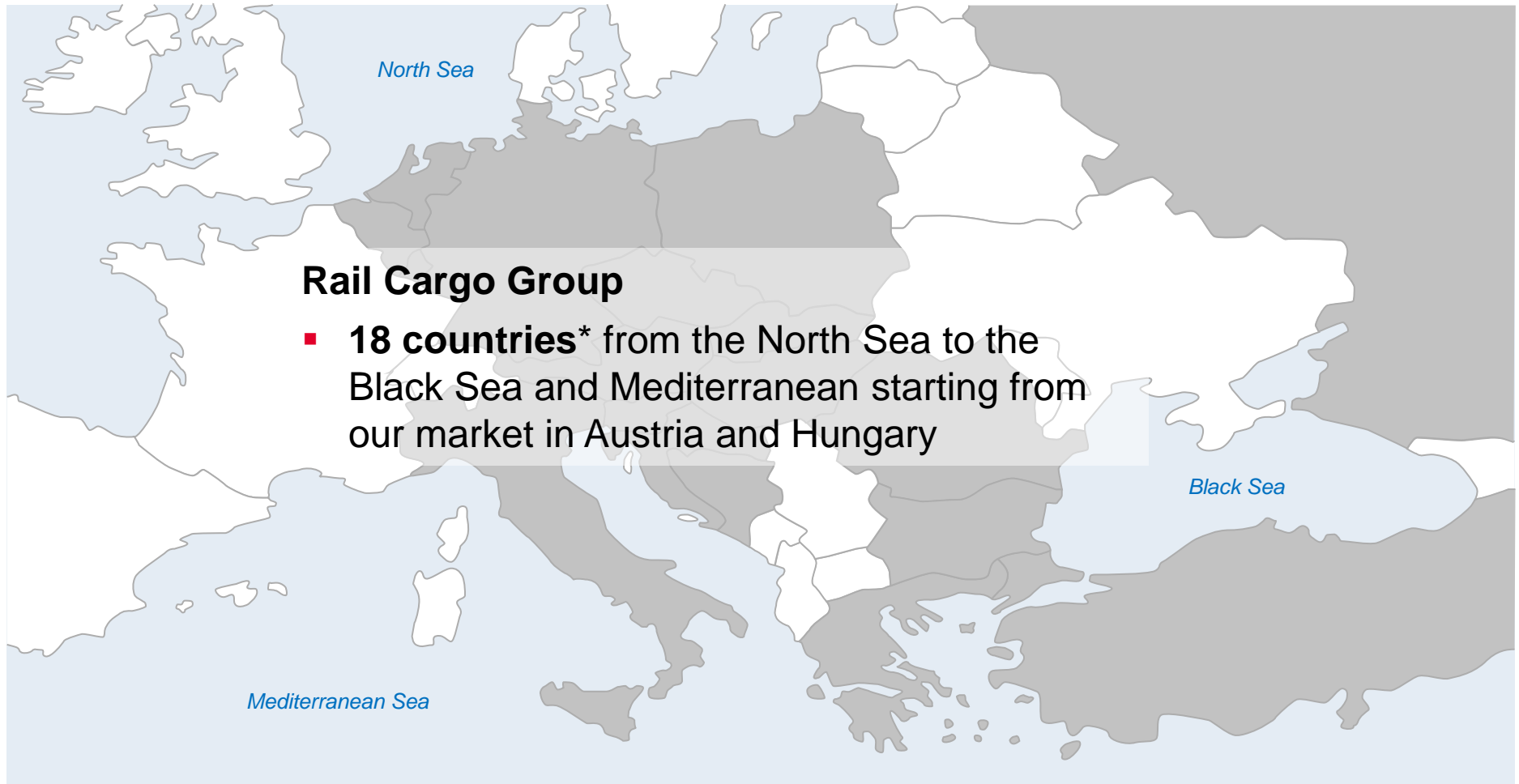
- Company profile
- Facts & figures
- Ownership structure and history
- Countries and principal subsidiaries
- Successfully into the future





# COMPANY PROFILE

## Tailor-made rail logistics



\* AT, BA, BE, BG, CZ, DE, GR, HU, HR, IT, LU, NL, PL, RO, RU, SI, SK, TR

# Rail Cargo Group business model

**Rail Cargo Group**  
Member of ÖBB

- Focus on **core competence: railway logistics**
- Transparency through simplicity and **five businesses, each with its own model and markets (internal, external)**
- Bringing together **skills, resources and responsibilities**
- **Consistent brand architecture**

**1** Rail forwarding with specialist sector competence

**Rail Cargo Logistics**  
Member of ÖBB

**2** Operator for high-frequency long-distance routes

**Rail Cargo Operator**  
Member of ÖBB

**3** Carrier for in-house traction provision

**Rail Cargo Austria** Member of ÖBB / **ÖBB** ÖBB-Produktion GmbH  
**Rail Cargo Hungaria** Member of ÖBB  
**Rail Cargo Carrier** Member of ÖBB

**4** Wagon rental

**Rail Cargo Wagon**  
Member of ÖBB

**5** Rolling stock maintenance

**ÖBB**

- ÖBB-Technische Services GmbH
- Technical Services Hungaria Kft.
- Technical Services Slovakia, s.r.o.
- TS-MÁV Gépészet Kft.

## Our guiding principles

- We are working with competence and passion on **tailor-made rail freight solutions** for our customers.
- We are **connecting Europe** between the North Sea, the Black Sea and the Mediterranean with our know-how, a targeted use of resources and clear responsibilities.
- We understand **responsible corporate behaviour** as an important tenet for long-term economic success in harmony with the environment and society.
- We find for every new challenge the industry-specific solution and are **investing in innovations and partnerships** together with our customers.
- We are convinced that **quality, reliability and safety** are the cornerstones for customer satisfaction. Our strength is based on experience, because future always needs a past.

# Rail Cargo Group strategy

## Objective

European champions in  
customer satisfaction, cost-efficiency and as a  
great place to work

## Strategy

Five complementary international  
rail businesses



- Rail logistics from the North Sea to the Black Sea and Mediterranean (18 countries) starting from our **home market** Austria and Hungary
- Customised **products** – modular and combinable, enabling tailored solutions
- **In-house traction** services undergoing expansion on six corridors
- **Growth** in 7 priority countries\* (transit, access to sources/sinks) and maintain a presence in/sell to a further 9 countries\*\* – consolidate and extend market position and competitive advantages

## Structure

**Three** cross-border **sector-specific business units**  
**One Operator** business unit (freight forwarding) and  
**50+** operational **companies**, of which we have a majority share in 30+ companies

## Management

- **Rail Cargo Austria AG** takes the **operational lead** and directs all business/business units internationally (Group function)
- **Rail businesses** in the shape of **Rail Cargo Logistics** and **Rail Cargo Operator** are responsible for upholding pledges to customers (profit centres)
- **Rail Cargo Carrier, Rail Cargo Wagon** and **ÖBB-Technische Services** guarantee maximum service provision (service centres)

\* BE, CZ, DE, IT, LU, NL, TR

\*\* BA, BG, GR, HR, PL, RO, RU, SI, SK

## What sets us apart – and what our customers gain

### System and innovation

- International transport management
- Investment in flexibly-deployable wagons
- Development of a booking system for single wagonload traffic – ensures wagon capacity, reliability and punctuality

### Austria and responsibility

- Market leader in Austria and Hungary
- Country-wide production network
- High rail share of total transport

### Market and cost-effectiveness

- High-quality rail logistics services
- Dedicated firms ensure a multinational presence
- Europe's quality leader due to in-house traction

### Team

- Competent staff on-the-spot
- Commitment to service – always there for our customers
- Development of customer-specific logistics solutions in partnership
- The ambition to become even better





# Services beyond borders



# Rail Cargo Group deploys innovative wagon systems

## Examples of innovative solutions

Separation of basic wagon & add-on, combined with various loading/unloading devices.



## Success factors

- Developing **Unique Selling Points** in product portfolio: includes incorporation of customer-specific modifications (add-ons) and optimisation of useful life
- **Cost reduction through standardisation**
  - Purchasing
  - Maintenance/storage of spare parts
  - Cost-effective technical modifications (add-ons)
- **Optimised capacity utilisation**
  - Greater flexibility in responding to changes in market needs
  - Combining seasonal traffic flows
  - Higher payload and volume optimisation

# Management of Rail Cargo Group

## Rail Cargo Group



**Erik Regter**  
(Board Member, Operator & Finance)



**Ferdinand Schmidt**  
(Board Member, Industries & Operation Management)

### Rail forwarding



**Bernd Müller**  
Timber / Paper / Building  
Materials / Consumer  
Goods



**Reinhold Pölzl**  
Mineral Oil / Agricultural  
Products / Chemicals /  
Environmental



**Wolfgang Riedl**  
Steel / Raw Materials /  
Automotive

### Operator



**Max Kindler**

### Carrier



**Reinhard Wallner**  
Operation  
Management  
Rail Cargo Group



**Bernhard Benes**  
ÖBB-Produktion



**Imre Kovács**  
Rail Cargo Hungaria  
Rail Cargo Carrier

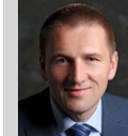


**Nathan Zielke**  
Rail Cargo Hungaria



**Sebastian Sperker**  
Rail Cargo Carrier

### Wagons



**Christian Adamiczek**



**Mathias Moser**



**Andreas Zwerger**

### Technical Services

## Group-level optimisation

### Customer-focused products

- All **products** marketed through **all sales & distribution units**
- **International traffic** developed collaboratively
- Price-optimised packages for multinational **key and group accounts**
- **Varied product range**



### Produce more efficiently

- **Coordinate bought-in services from other RU and HGV**
- Optimise **number of own locomotives and wagons** deployed
- **Maximise capacity utilisation of own and leased locomotives and wagons at home and abroad**

### Decide faster

- Five distinct businesses with business units as profit centres
- **Bringing together resources and international chains of responsibility for each business**
- **Simplify coordination processes** (products, countries)

### Lower risk

- Skills bundling
- **Responsible safety and ECM management**
- Bundling of accounting and receivables management functions
- Securing base load whilst expanding in-house traction provision

### Attracting top performers

- **Giving staff the opportunity to shape their own success story**
- **Competent, passionate staff**
- **Group career paths** on a par with the level offered by international logistics leaders



# FACTS & FIGURES

## Rail Cargo Group at a glance

STATUS: 2015

- **Turnover** €2.1 billions, €76.6 millions EBIT
- **Goods carried** 109.2 million tonnes
- **Tonne kilometres** 29.1 billion tonnes-km
- **Staff** 8,260
- **Locomotives** 485 service locomotives  
171 shunting locomotives
- **Wagons** 21,445
- **5 rail business units**
  - 15 Rail forwarding units
  - 4 Operating companies
  - 10 RU
  - 1 Wagon lessor
  - 4 Rolling stock maintenance companies

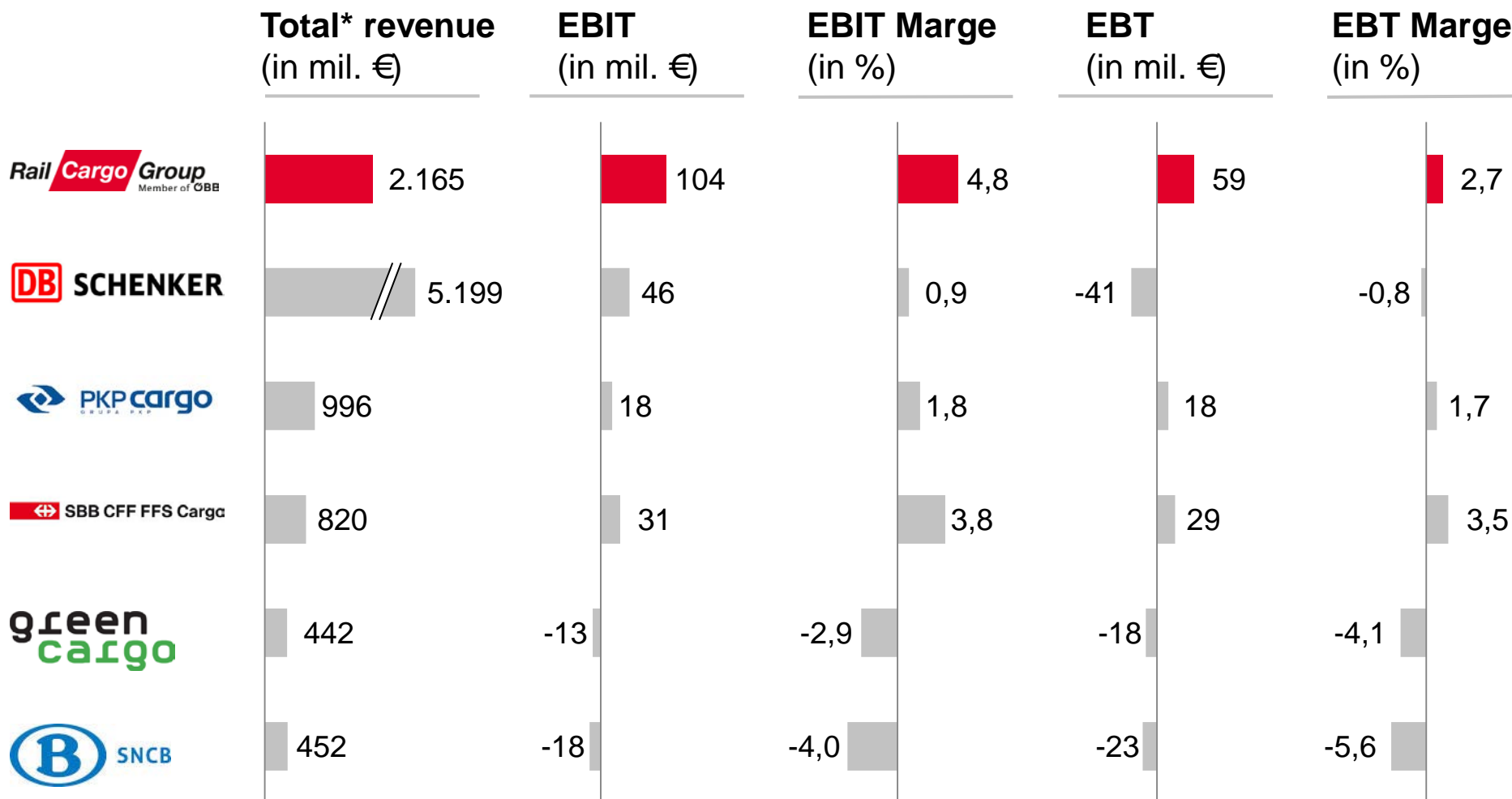
# Rail Cargo Group: facts & figures

STATUS: 2015

	2015
<b>Goods transported</b> in million tonnes	109.2
<b>Tonne-kilometres</b> in billion tonnes-km	29.1
<b>Total revenue</b> in million EUR	2,159.1
<b>EBT</b> in million EUR	57.2
<b>EBIT</b> in million EUR	76.6
<b>EBIT margin</b> in %	3.5 %
<b>Personnel</b>	8,260

	2015	
<b>Rolling stock</b>	Shunting locomotives (diesel)	122
	Shunting locomotives (electric)	49
	Service locos (diesel)	95
	Service locos (electric)	390
	<b>Total</b>	<b>656</b>
<b>Wagons</b>	Covered wagons	3,641
	Flat bed wagons, open and with stanchions	11,024
	Bulk and silo wagons	2,691
	Steel wagons	1,143
	UCT, ACTS container wagons	2,249
	Tank wagons	99
	Rolling Road wagons and passenger cars	598
	<b>Total</b>	<b>21,445</b>

# Benchmark of European freight railways – Rail Cargo Group is European profitability champion



\* Total revenue: including capitalized services and other revenues

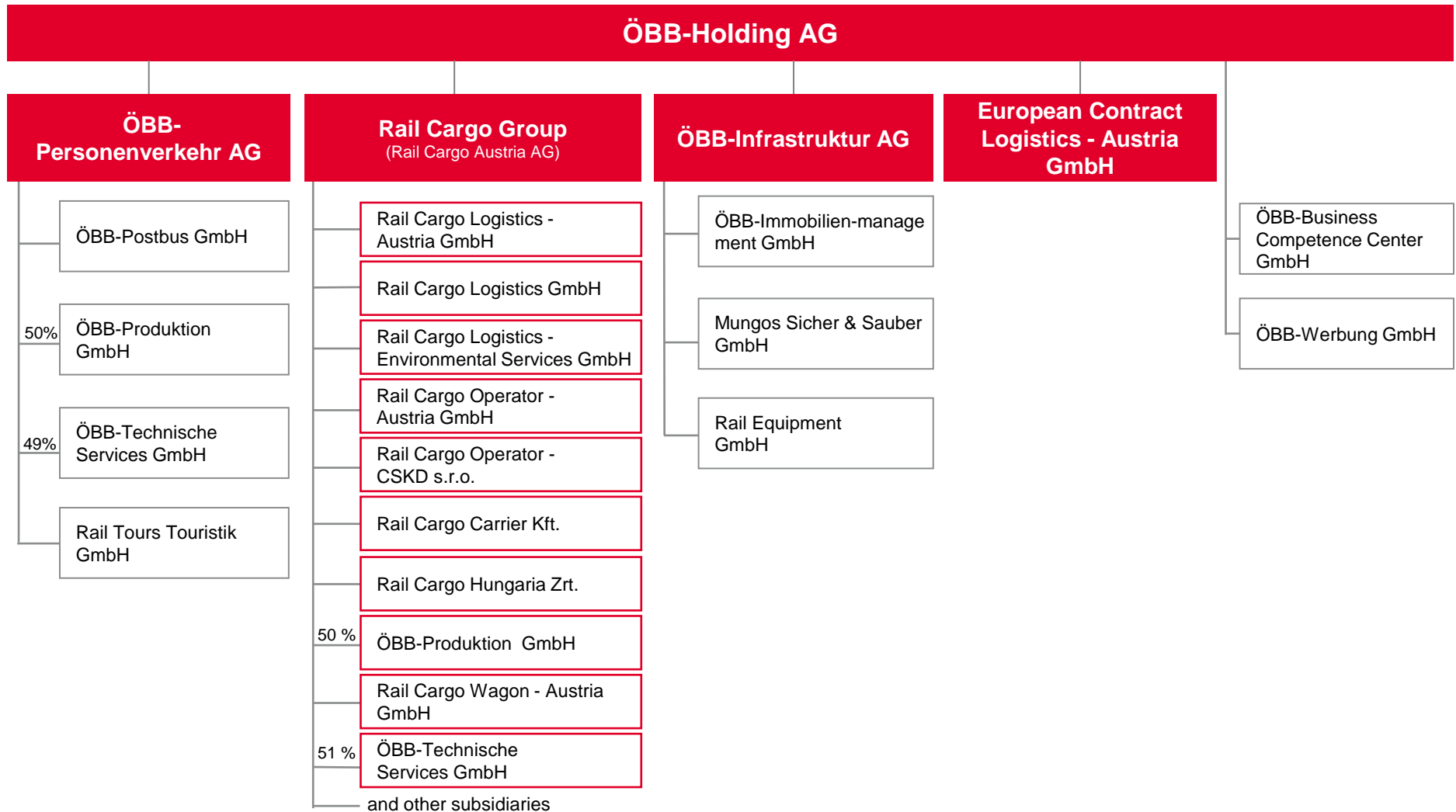




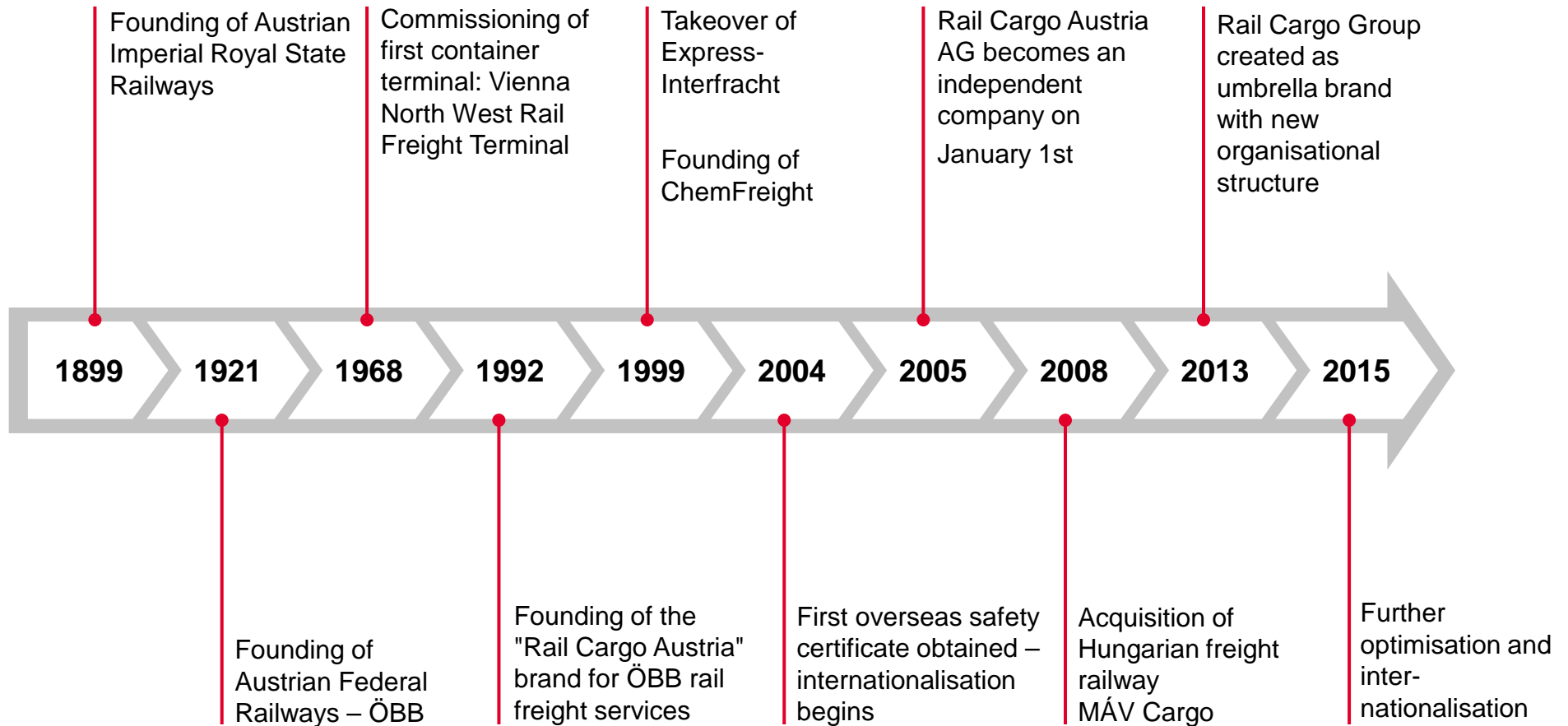
# OWNERSHIP STRUCTURE AND HISTORY

# Ownership structure – part of ÖBB Group

STATUS: 01.07.2015



# History of rail freight at ÖBB



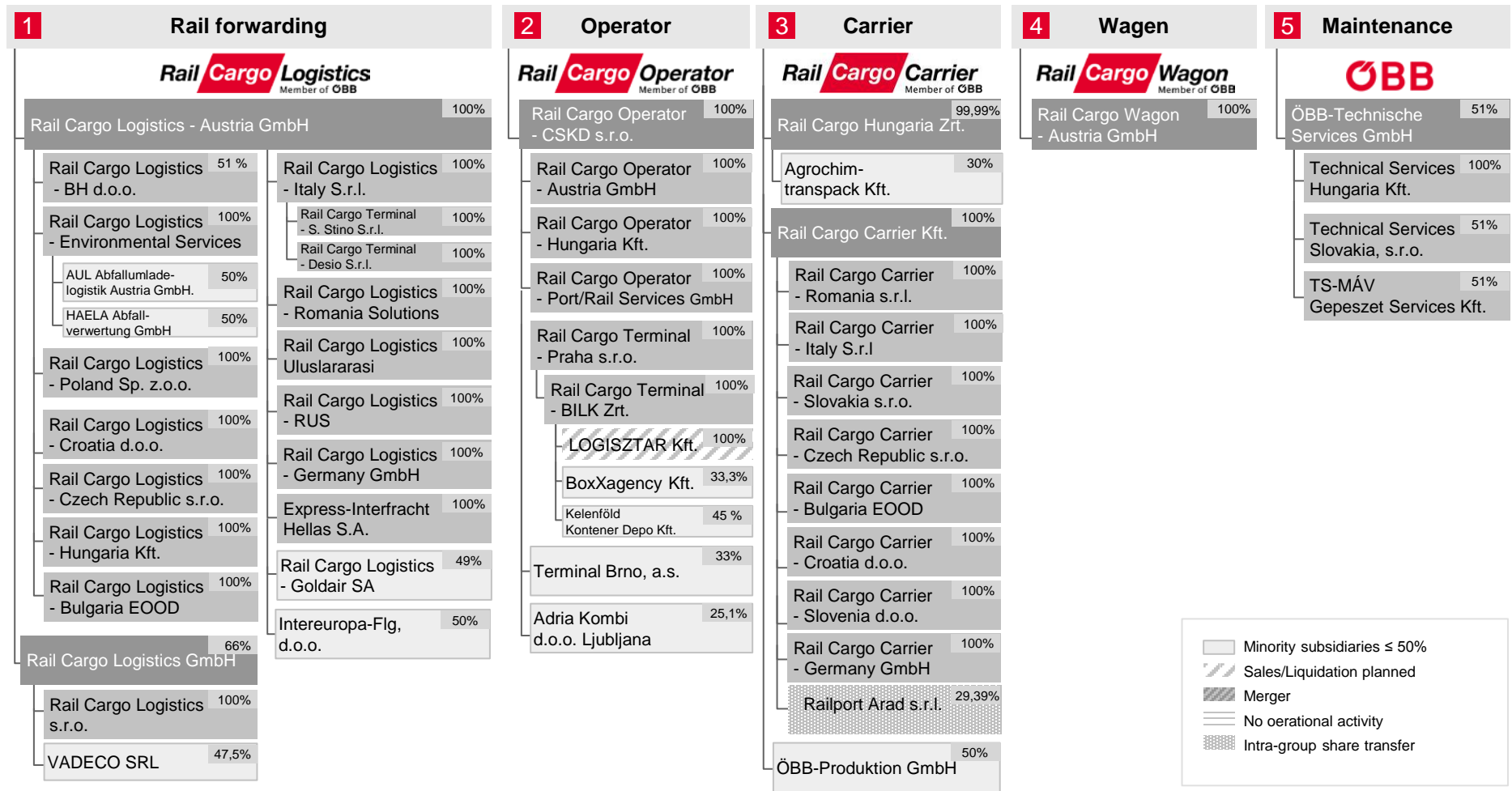


# COUNTRIES AND PRINCIPAL SUBSIDIARIES

# Subsidiaries held by Rail Cargo Group

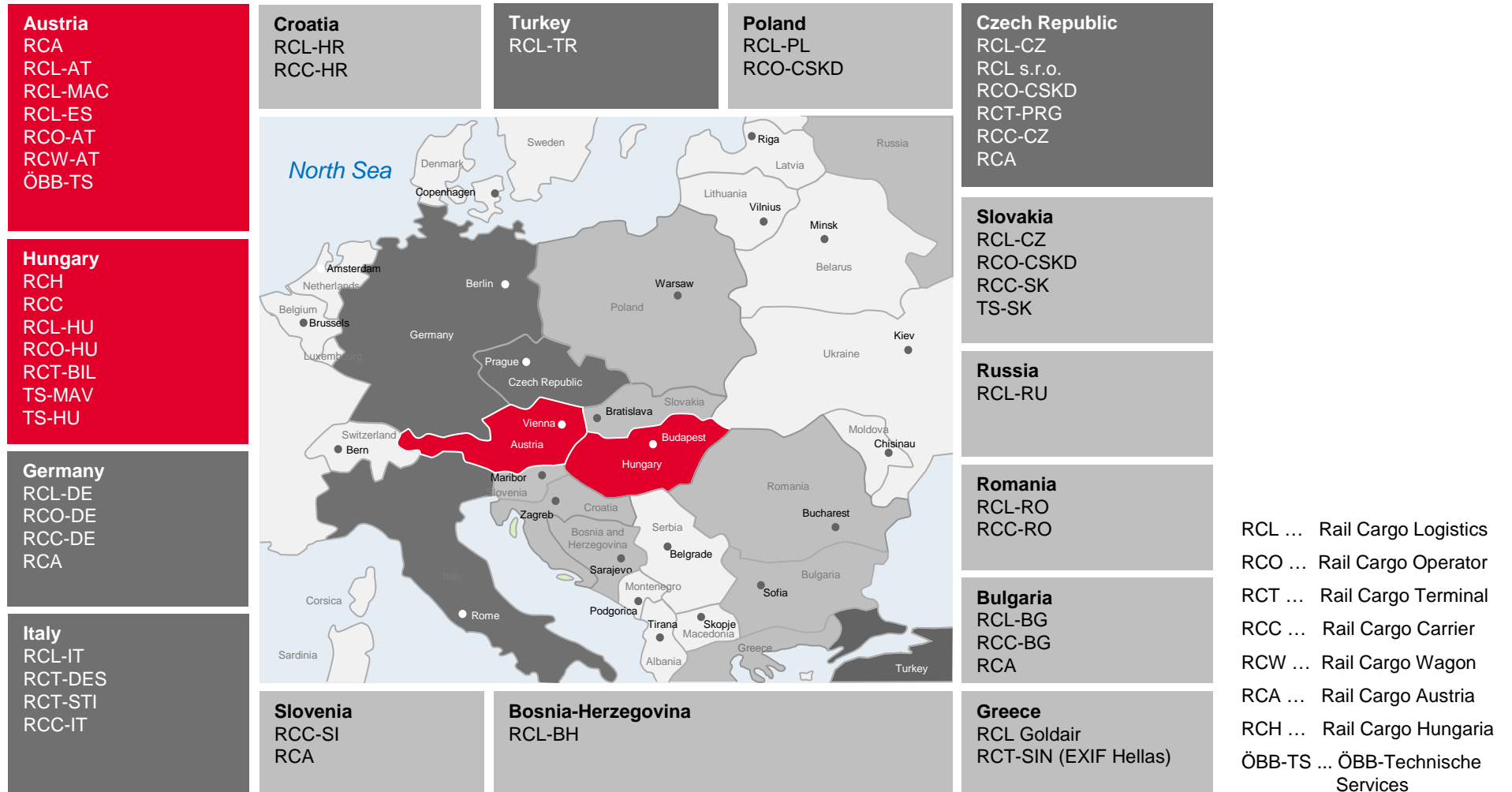
STATUS: 01.04.2016

## Subsidiaries held by the Rail Cargo Austria AG

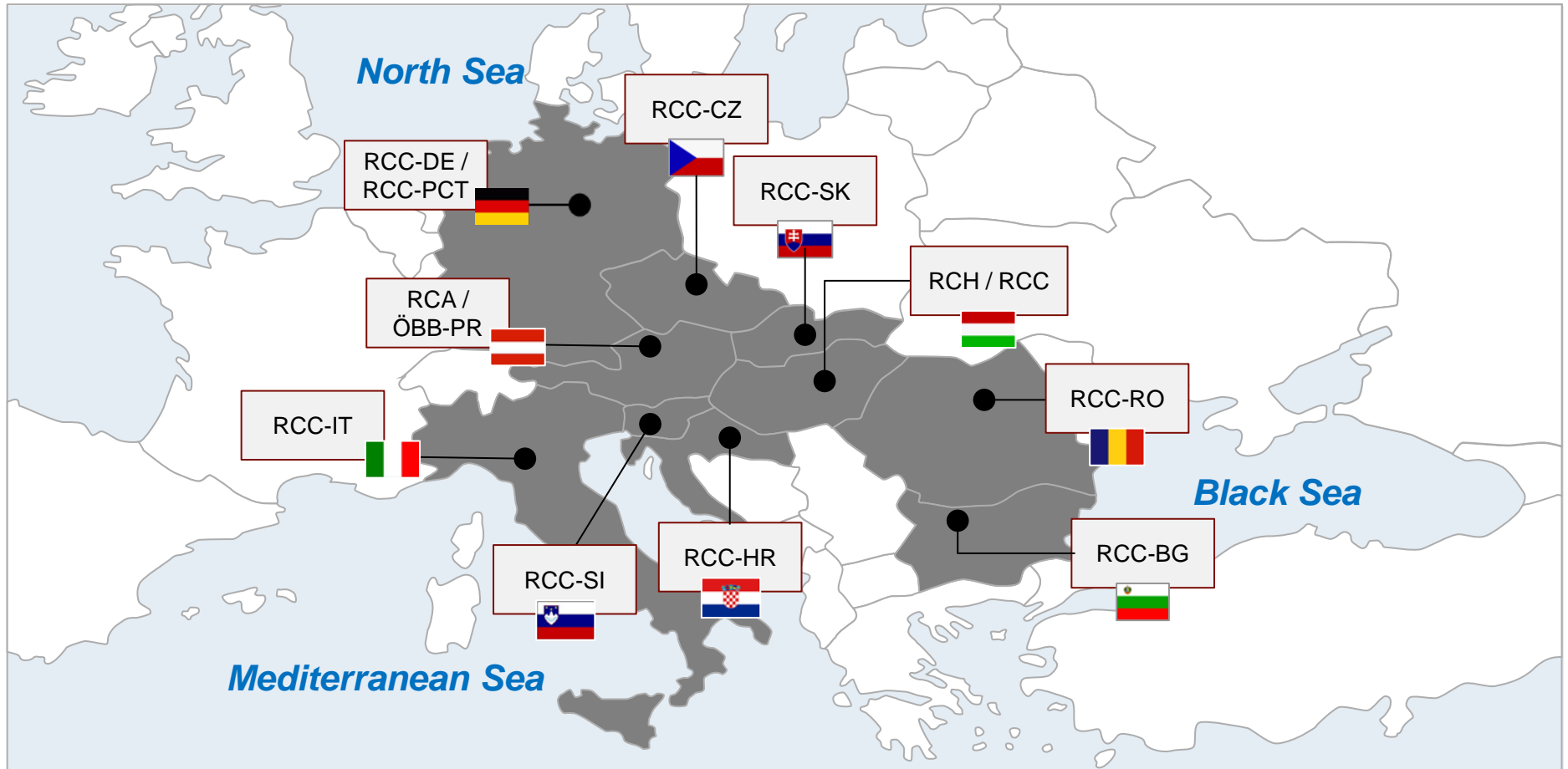


- Minority subsidiaries ≤ 50%
- Sales/Liquidation planned
- Merger
- No operational activity
- Intra-group share transfer

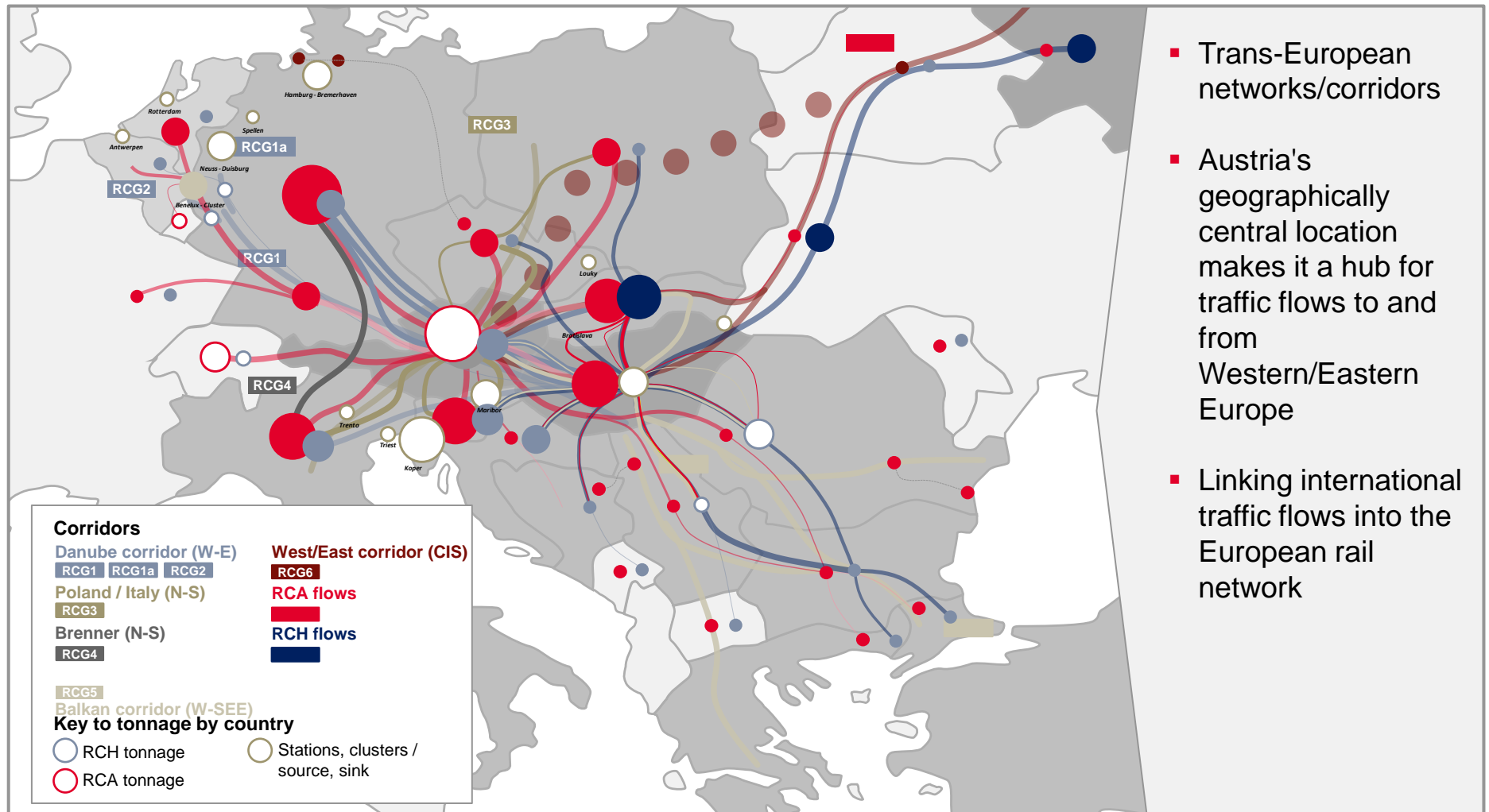
## International presence – subsidiaries



## In-house traction provided in 10 countries



# Current traffic flows and growth corridors for Rail Cargo Group







**SUCCESSFULLY INTO THE FUTURE**

## Aims & objectives

### European Champion

- Focus on core competence: Rail logistics
- Market leader in South-East Europe (home market Austria and Hungary), amongst top three railway logistics providers in Europe in transport volume terms (tonnes-km)
- Innovator in rail logistics products

### Cost-effectiveness

- Competitive cost structure, particularly vis-à-vis road haulage
- > 2.3 billion EUR turnover, organic growth
- > 4 % EBIT margin (positive EVA, assets preserved)
- Transparency through simplicity and separately measurable and benchmarkable business units
- Maintaining of the market position in Austria and Hungary
- Expanding traction services across European corridors

### Customer satisfaction

- High-value umbrella brand
- Close customer relations: Binding performance commitment at every stage, from product design to ordering process and transport

### An attractive employer

- A “great place to work“
- Management policy brings together competences, resources and responsibility
- Management has a “turnaround track record“



## Rail is eco-friendly

- Every year, we carry over 109 million tonnes of goods. Every wagon carried helps protect the environment.
- As a mode of transport, rail freight traffic causes per tonne approximately 7 % CO<sub>2</sub> emissions of a lorry.
- Rail Cargo Group represents a significant portion of the railways' modal share (itself over 30 %).
- 92 % of ÖBB's traction current comes from renewable energy sources.

Rail

CO<sub>2</sub>

CO<sub>2</sub>

HGV

... and the railways have it!

# Awards

## Rail Cargo Group

- Austrian Export Award in the „transport and traffic“ category, for the particular successes on the international markets
- Golden Chariot International Transport Award (2014)
- Basic certificate awarded following "berufundfamilie" audit and INEO quality seal of approval as an "Exemplary Trainer of Apprentices" (2014)
- VCÖ Mobility Award (2013) in the "Sustainable freight" category, for the Rail Cargo Group capacity booking system (KAPA)
- Awarded Austrian Seal of Approval for the Promotion of Health in the Workplace by Federal Ministry of Health for RCAcare (2010 and 2013)
- Rail Cargo Hungaria wins Golden Chariot International Transport Award (2013)
- RCAcare commended as a European Model of Good Practice for health management in the workplace (2008)

## ÖBB

- ÖBB awarded WKW DiversCity Prize for outstanding achievement in diversity management (2014)
- Effi-Award: ÖBB wins marketer of the year (2012)
- Econ Award (Econ Verlag and Handelsblatt-Group Germany): ÖBB wins Special Award in the "Sustainability Reporting" category (2012)
- Digital Communication Award in the "Crisis Communication" category won by ÖBB-Lovestorm (opening of stations to the homeless during cold snap) (2012)



