Agenda

Our company

Our strengths

Our Services

Our strategy, Zukunft Bahn and digitalization
With its eight business 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

- **DB Regional**
  Regional/urban pass. transport (GER)

- **DB Arriva**
  Regional/urban pass. transport (EU)

**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

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1. The former business unit DB Services has been dissolved 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;

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DB Cargo AG | Status 25/04/2017
We hold leading market positions in Europe and the world.
Rise in long-distance service, but drop in regional and rail cargo transport

### Rail performance 2016

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long distance</strong></td>
<td>37.0</td>
<td>39.5</td>
<td>+6.9%</td>
</tr>
<tr>
<td><strong>Regional rail</strong>^1</td>
<td>42.7</td>
<td>40.9</td>
<td>-4.2%</td>
</tr>
<tr>
<td><strong>Rail freight</strong></td>
<td>98</td>
<td>95</td>
<td>-3.8%</td>
</tr>
<tr>
<td><strong>Infrastructure</strong>^2</td>
<td>1,054</td>
<td>1,068</td>
<td>+1.3%</td>
</tr>
</tbody>
</table>

^1 Excluding DB Arriva; including Usedomer Bäderbahn
^2 Including Usedomer Bäderbahn
Business units are managed directly by the DB Management Board.
The European network of DB Cargo is being led functionally.
Our company

Our strengths

Our Services

Our strategy, Zukunft Bahn and digitalization
DB Cargo is part of a strong Group

DB Group’s fundamental concept

Passenger Transport

Transportation and Logistics

Railway in Germany

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

**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 in 2016

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>EUR 4,560m</td>
</tr>
<tr>
<td>EBIT</td>
<td>EUR -81m</td>
</tr>
<tr>
<td>Employees (FTE)</td>
<td>29,671</td>
</tr>
<tr>
<td>Metric ton km</td>
<td>94,698 m tkm</td>
</tr>
<tr>
<td>Freight carried</td>
<td>277 m t</td>
</tr>
<tr>
<td>Locos/freight cars</td>
<td>2,817 / 84,827</td>
</tr>
<tr>
<td>Avg. dist. transported</td>
<td>341 km</td>
</tr>
</tbody>
</table>
DB Cargo offers its customers a comprehensive European network

1 European Headquarter
11 DB Cargo AG | Status 25/04/2017
DB Cargo is clear No. 1 in European rail freight

Leading position in Europe...

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share 2016e, in % based on tkm(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DB Cargo</td>
<td>22</td>
</tr>
<tr>
<td>SNCF</td>
<td>8</td>
</tr>
<tr>
<td>Rail Cargo Group</td>
<td>7(^1)</td>
</tr>
<tr>
<td>PKP Cargo</td>
<td>7</td>
</tr>
<tr>
<td>Mercitalia</td>
<td>5(^1)</td>
</tr>
</tbody>
</table>

... based on substantial strengths

- **European Network**: Strongest international 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

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1 Data 2015
Source: Eurostat, companies, UIC, L.CVE
With its services, DB Cargo forms an important backbone of the European economy

DB Cargo...

... runs **4,362 trains** daily and orbits the Earth 13 times per day

... is with its **29,671 employees** in **16 country-organizations** the world’s most international railway

... could use its **2,817 own locomotives** and **84,827 freight wagons** to build a train stretching from Berlin to Bucharest

... **40,103** new and retrofitted **cars with whisper breaks** by end 2016
DB Cargo provides single wagon solutions throughout the whole of Europe
DB Cargo's European products are part of a strong international network

DBrailnet offers single wagon solutions throughout Europe:
- Connects over 33 economic centers
- Connects over 1,500 freight terminals
- 22% market share in Europe

DBrailnet Italy
DBrailnet France
DBrailnet Benelux
DBrailnet Scandinavia
DBrailnet Polska
DBrailnet Southeastern Europe
DB Cargo launches a new corridor product at the beginning of 2017 – DB*antwerp-rhine-shuttle*

**Product features at product launch**

- **Shuttle product** of DB Cargo for the corridors
  - Antwerp to Rhine/Ruhr
  - Antwerp to Rhine/Neckar

- **Quick connections** from Rhine/Ruhr and Rhine/Neckar with the European Railnet of DB Cargo especially to southern Germany, Italy, Austria, France, Spain and south-eastern Europe

- **Attractive transit time** with high frequency
  - Daily departures
  - Regular transit times AB

- Both **wagonload and CT volumes** (CT volumes in cooperation with our partners)

- Further benefits
  - **High quality standards**
  - **CO2-friendly product** vs trucks' emissions
  - **Multimodal solutions**
  - Planned launch at the **beginning of 2017**
Agenda

Our company

Our strengths

Our Services

Our strategy, Zukunft Bahn and digitalization
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**
- **Rail logistics**
- **Sidings**
- **Maintenance**
- **Eco Plus**
  Range of operational maintenance services (locomotives, wagons)
  Entirely carbon-free transport of goods
DB Cargo offers expertise in key industries

**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

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
- **DBchem-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
- **DBpaper-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

<table>
<thead>
<tr>
<th>Wagon fleet DB Cargo</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of wagons 2016</strong></td>
</tr>
<tr>
<td><strong>GERMANY</strong></td>
</tr>
<tr>
<td><strong>Metals &amp; Coal</strong></td>
</tr>
<tr>
<td><strong>Building Materials, Industrials &amp; Consumer Goods</strong></td>
</tr>
<tr>
<td><strong>Automotive</strong></td>
</tr>
<tr>
<td><strong>Chemicals, Oil &amp; Fertilizers</strong></td>
</tr>
<tr>
<td><strong>Intermodal</strong></td>
</tr>
</tbody>
</table>

- 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

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

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
Eco Solutions help you become an eco-pioneer

Eco Consulting
We help you reduce your carbon footprint

DBeco Plus
100% renewable energy

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

Transport your freight 100% CO₂-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
Agenda

- **Our company**
- **Our strenghts**
- **Our Services**
- **Our strategy, Zukunft Bahn and digitalization**
Our sustainable strategy describes our path to the future

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

Social

Top employer
Attractive employer with a shared European identity and culture

Green

Eco-pioneer
Leading environmental position and responsible actions

2020+

DB Cargo AG | Status 25/04/2017
We follow our strategy along all dimensions of DB2020+

Vision

Dimensions

Ambitions / Areas of action

- High reliability and punctuality for our clients
- Long-term partnerships with satisfied and loyal customers
- Client-specific network solutions
- Transparent and proactive communication

Best Choice on European tracks

Profitable quality leader - Economic -

- No. 1 on European rail freight market
- Strongest and most seamless European rail network
- Profitability and capability to invest into our network and into growth markets

Top employer - Social -

- Secure and attractive job environment for all ages
- European identity and culture – one team
- International career development opportunities

Eco-pioneer - Environmental -

- Expansion of leading ecological position through increased eco-efficiency
- Pioneer in terms of innovation and responsibility
- Social acceptance of rail freight growth
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

- 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

TechLOK

- 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

Driver assistance

- 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 CO₂ and reduces emissions by 10%

Automatic start-stop

- 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

Mobile communication

DB Cargo AG | Status 25/04/2017
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

Growth prerequisites

- Increase efficiency and improve quality
- Avoid infrastructure shortages
- Ensure resource availability
- Provide suitable regulatory framework

Growth potential European rail freight

2015 - 2030

+ 1-2 % p.a.
We are facing strong market risks but we also have upside potential

<table>
<thead>
<tr>
<th>Market chances</th>
<th>Market risks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth segments</strong></td>
<td><strong>Market development</strong></td>
</tr>
<tr>
<td>Combined transport offers further growth prospects (growth &gt; 2% p.a.) - but prognosis has been significantly reduced</td>
<td>The European rail freight market is only growing by 0.9% p.a. till 2020, mainly driven by weak industry development</td>
</tr>
<tr>
<td>Corridors with direction South East Europe and Asia are expected to grow moderately with &gt; 2.5% p.a. until 2030</td>
<td>Persistently low diesel prices and the development of truck tolls are driving down the rail’s cost position</td>
</tr>
<tr>
<td>Demand for end-to-end logistics solutions offers potential for rail forwarding services</td>
<td>Introduction of Gigaliners and autonomous trucks will generate further price pressure for rail freight in the medium to long term range</td>
</tr>
<tr>
<td>The growing demand for general cargo offers opportunities for integrated and extensive logistical operator services</td>
<td>Competition through state railways continues (e.g. Rail Cargo Austria in Germany)</td>
</tr>
<tr>
<td><strong>Digitization</strong></td>
<td><strong>Intramodal competition</strong></td>
</tr>
<tr>
<td>Digitization projects optimize production and sales (including automation, customer portal)</td>
<td>Rolling stock leasing companies facilitate market access for RU competitors</td>
</tr>
<tr>
<td>Improvements of the political rail freight framework allow modal shift</td>
<td>Direct connections between economic centers increasingly compete with the single wagon network</td>
</tr>
</tbody>
</table>

We are facing strong market risks but we also have upside potential
DB Cargo has strongly internationalized its business during the last years

Subsidiaries / Shareholdings of DB Cargo

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%)