Mobility
Networks
Logistics

Finanzpräsentation 2010

Frankfurt – Amsterdam – Paris – Zurich – Milan – Munich – London – Edinburgh

Strategic Approach of DB Group

Deutsche Bahn AG / DB Mobility Logistics AG

CFO

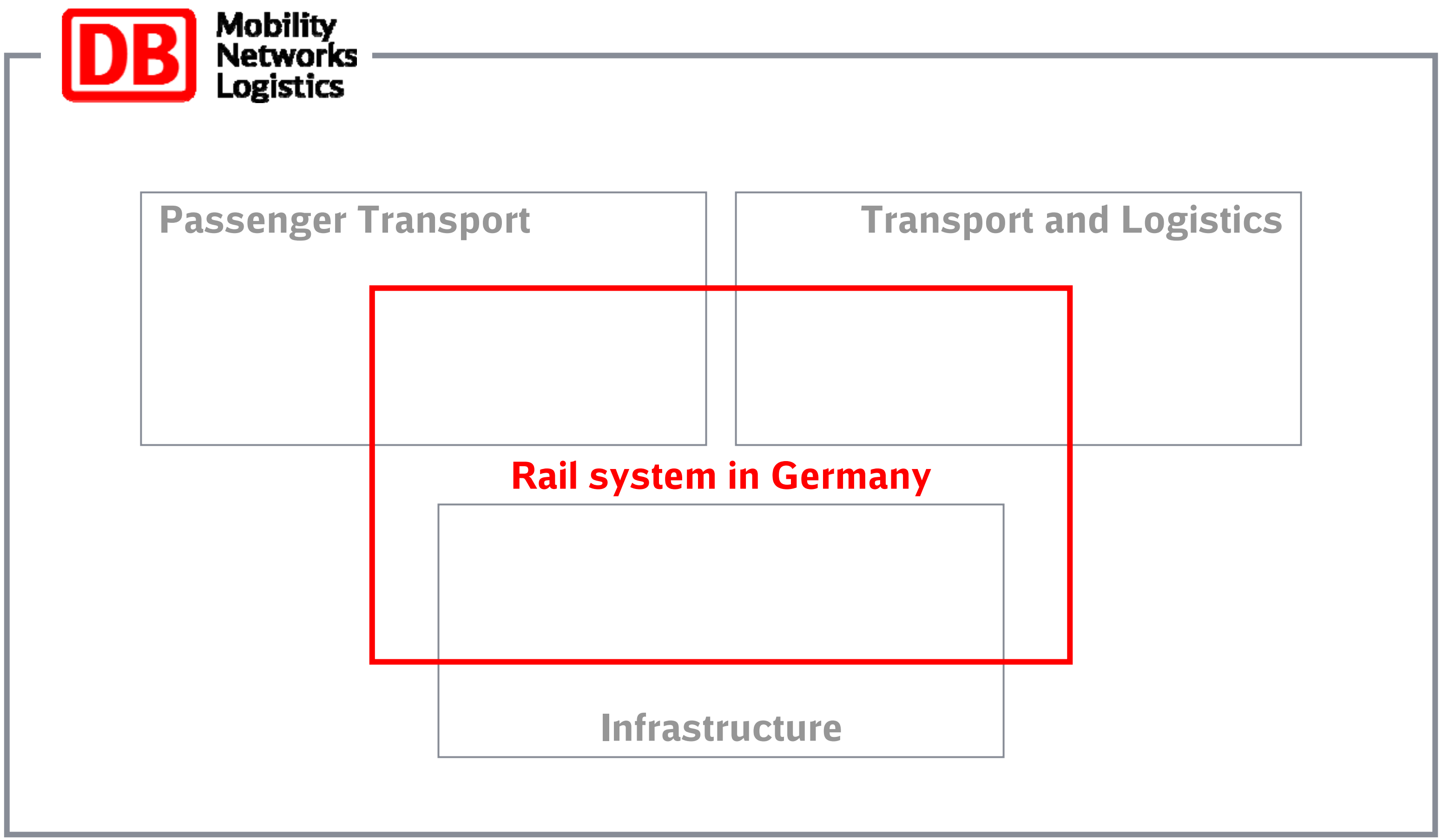
Dr. Richard Lutz

May 2010

Structure

Our key to success: Thinking beyond railway in Germany

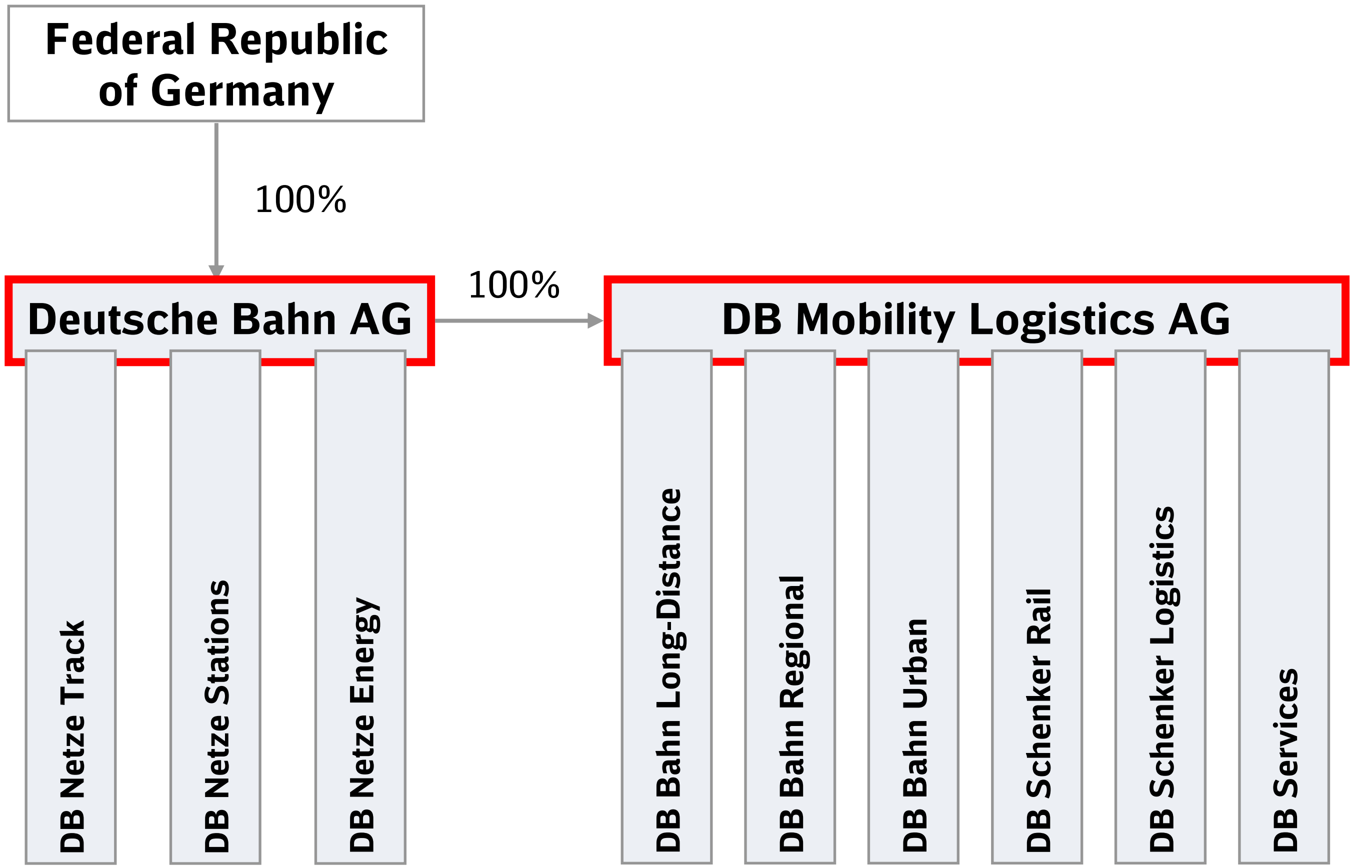
DB Group’s fundamental concept



Structure

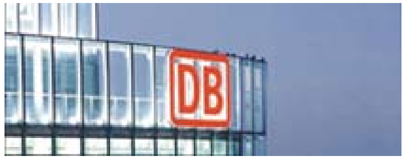
Organizational structure (since June 2008)

DB Group



Focused Group portfolio with three divisions

DB Group (2009)



- DB AG and DB ML AG act as management holding companies
- Vertically integrated Group structure
- Ratings: Aa1 / AA / AA

Revenues (€ bn)	29.3	**ROCE** (%)	5.9
EBIT adjusted (€ bn)	1.7	**Gross capex** (€ bn)	6.5
EBITDA adjusted (€ bn)	4.4	**Total assets** (€ bn)	47.3
Net profit (€ bn)	0.8	**Employees** (as of Dec 31)	239,382

DB BAHN

- # 2 rail passenger transport in Europe
- # 2 regional and local public transport in Europe
- # 1 bus transport in Germany

2009	€ mn	%
Revenues	12,406	42
EBIT adjusted	1,111	66
EBITDA adjusted	2,057	47
Capital expenditures	511	8
Employees (as of Dec 31)	52,683	22

DB SCHENKER

- # 1 European rail freight transport
- # 1 European land transport
- # 2 Global air freight
- # 3 Global ocean freight
- # 5 Global contract logistics

2009	€ mn	%
Revenues	15,347	52
EBIT adjusted	10	1
EBITDA adjusted	478	11
Capital expenditures	515	8
Employees (as of Dec 31)	91,279	38

DB NETZE

- Longest rail network in Europe
- 353 railways utilizing German track infrastructure, thereof 323 non-Group railways

2009	€ mn	%
Revenues	7,702	26
EBIT adjusted	878	52
EBITDA adjusted	1,996	45
Capital expenditures	5,276	82
Employees (as of Dec 31)	46,529	19

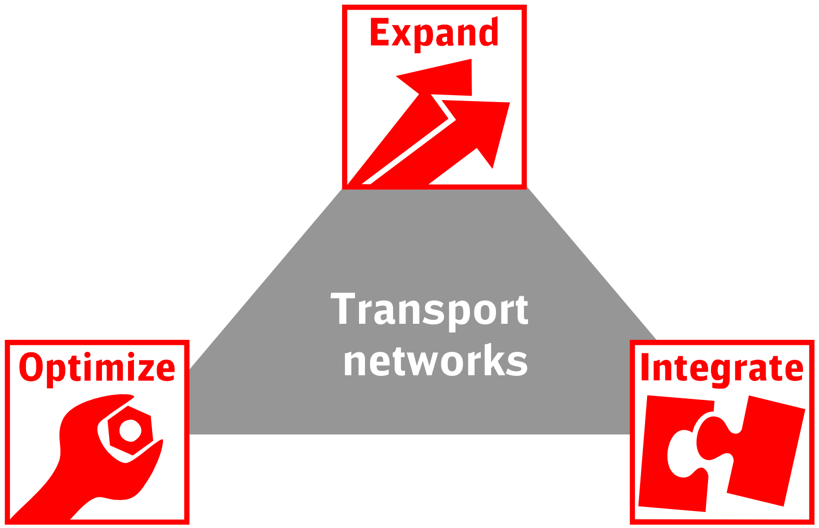
Excl. DB Services and Other/consolidation

DB Group will become the worldwide leading mobility and logistics company

Our vision: The world's leading mobility and logistics company

Long-term objectives and strategic directions

- Further improve leading market positions
- Expand and interlink transport networks worldwide
- Set standards regarding quality and customer satisfaction
- Permanent focus on cost efficiency
- Sustainably increase profitability



Mega trends remain driver of long-term growth in the transport markets

Mega trends in the transport market

Globalization

- Emerging growth markets in Asia and Eastern Europe
- Increasing level of outsourcing
- Growing global flow of goods in the long run

Climate change and resource shortage

- Rising customer sensitivity for climate change
- Transport sector as a key driver of CO_2 emissions
- Increasing prices for fossil fuels

Liberalization

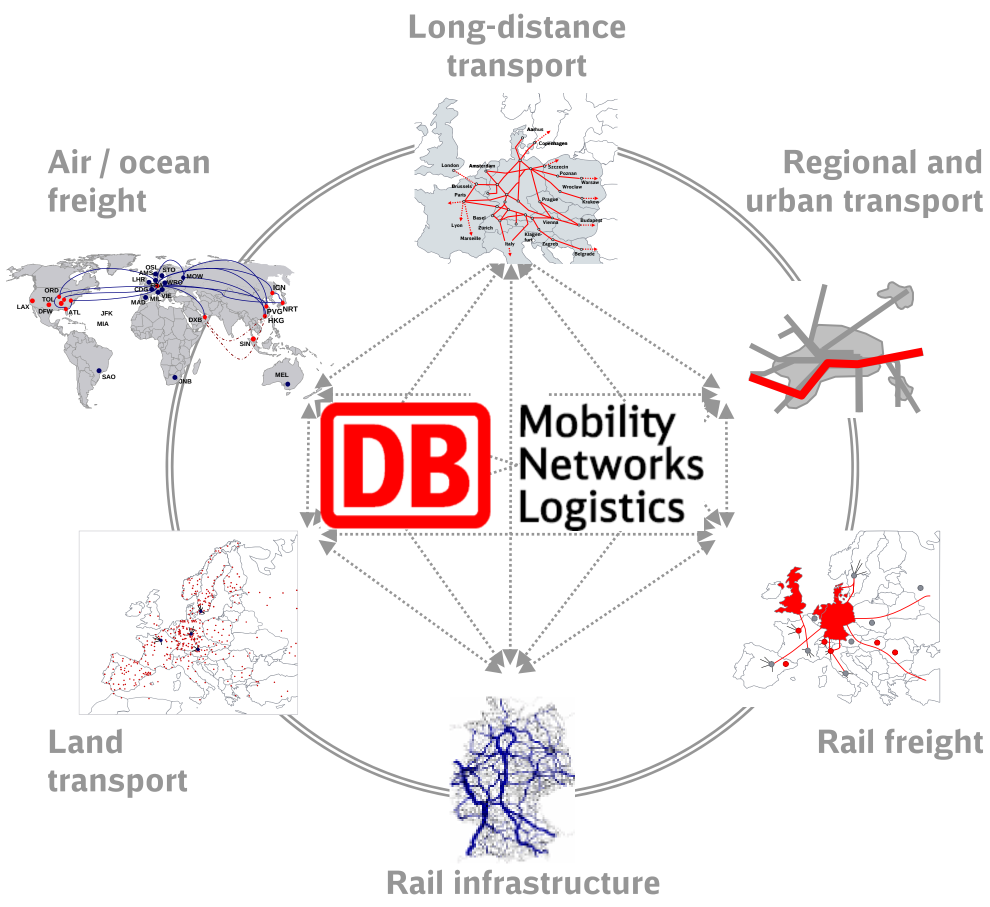
- Further liberalization of rail transport in Europe
- Growing pressure on public budgets
- Continued outsourcing of public responsibilities

Demography

- Diverging regional development
- Increasing urbanization
- Increasing mobility in career and private life
- Aging population

Development and operation of integrated transport networks

Our core competence: development and operation of transport networks



- **Long-distance transport**
  Dense polycentric network allows fast, interconnected and comfortable passenger transport
- **Regional and urban transport**
  Regional and urban transport networks offer attractive alternatives to car travel
- **Rail freight**
  Network ensures integrated cross-border rail freight services
- **Rail infrastructure**
  The biggest, most significant and challenging rail infrastructure in Europe
- **Land transport**
  The most comprehensive hub network in Europe enables fast and reliable regular pan-European delivery
- **Air / ocean freight**
  Global network enables one-stop shop logistics solutions

Strategic framework for DB Bahn

Three key strategic priorities of DB Bahn

Mobility
- Development of innovative green products
- Offer intermodal concepts
- Marketing offensive
- Mobility platform

Development of core business
- Optimization of cost position
- Increase competitiveness
- Defending strong market positions in Germany

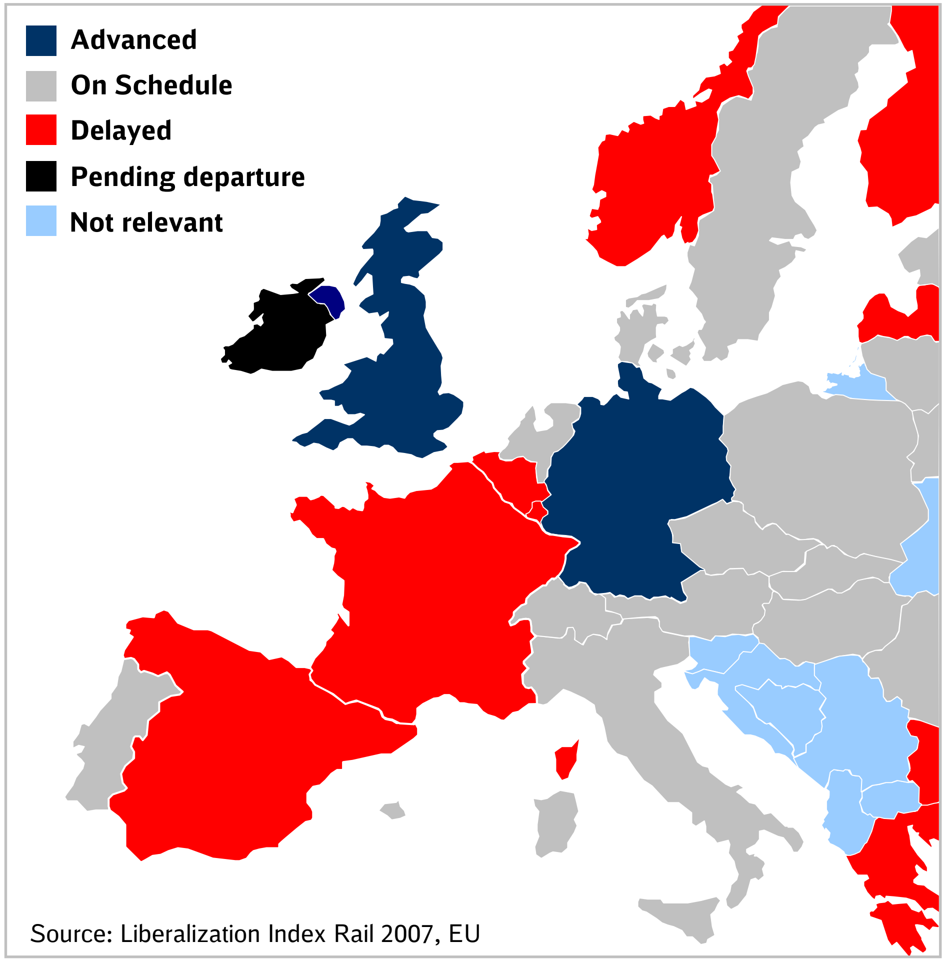
Offerings

Internationalization
- Growth along target corridors
- Expansion of international sales
- Market entrance via acquisitions
- Organic growth

Markets

Liberalization of European passenger transport markets offers opportunities

Market opening by European countries



Source: Liberalization Index Rail 2007, EU

Strategic approach

Market development

- The German market is fully open to competition since 1994, the situation is different in other European countries
- The European markets are open for cross-border rail passenger transport as of 2010, but exceptions possible
- Consolidation process leads to emergence of international transport companies with strong competitive position

Our market position

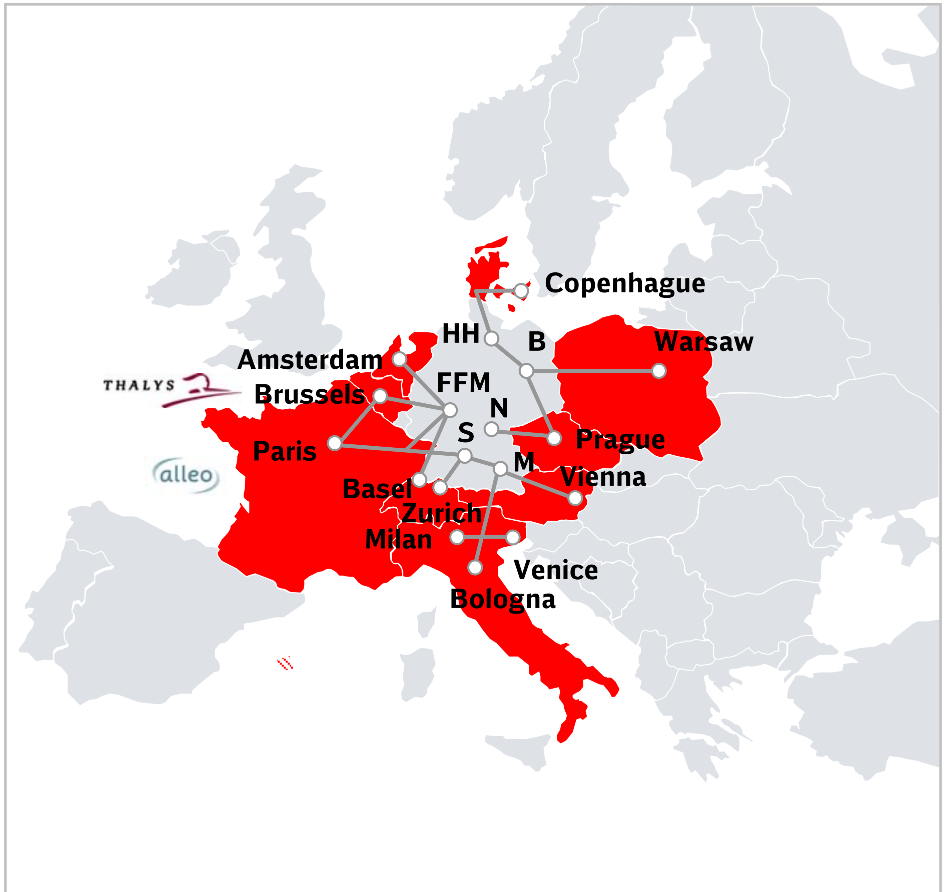
- Strong market share in German regional transport (73%), but market share of competitors is increasing
- Almost 100% market share in German long distance rail transport, but competitors show interest in operating lines
- International expansion of our business by acquisitions, tenders and cross-border transport is still in an early stage

Our challenge

- Liberalization in the European rail and bus transport units leads to market changes, especially in our home market
- DB Group needs a sustainable positioning in the European transport markets

Increasing internationalization in long-distance transport business

Long-distance transport network



Countries with border-crossing long-distance connections of DB Bahn

Operational approach

(1) Independent operations

ICE-line Frankfurt-Brussels

(2) Joint ventures

THALYS (Cologne-Brussels-Paris with SNCB & SNCF)

alleo (Paris-Frankfurt/ Munich with SNCF)

(3) Joint operations

With SBB (Frankfurt-Basle and Stuttgart-Zurich)

With ÖBB (Munich-Vienna; Brenner-line Munich-Milan/ Bologna/Venice)

With NS (Frankfurt-Amsterdam)

With DSB (Hamburg-Copenhagen)

With PKP (Berlin-Warsaw)

With CD (Hamburg-Berlin-Prague; Nuremberg-Prague)

Planned acquisition of Arriva strengthens our position in the European market

Current status

- Recommended cash offer agreed on April 22nd 2010
- Acquisition is subject to approval of EU commission and Arriva shareholders (mid June 2010)
- Acquisition presumably becomes effective mid August 2010

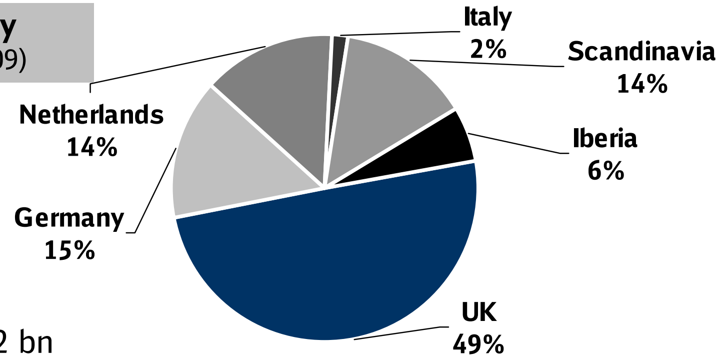
Corporate profile of Arriva

- Location: UK, listed on the London Stock Exchange
- Three divisions: UK Bus, UK Trains, Mainland Europe
- Geographical diversification with strong position in continental Europe, activities in 12 countries
- Balanced revenue-mix (2009):
  - Bus (64%) and rail activities (36%)
  - UK (51%) and Mainland Europe (49%)
- Competitive position of Arriva:
  - One of the largest transport operators in the UK
  - One of the largest private bus operators in Spain and Denmark, TOP 3 in UK bus
  - The only other two companies with Europe-wide focus on bus/rail are Keolis and Veolia
- Fleet of 14,800 buses and 587 train-sets; Employees: 42,300

Financial position of Arriva

Key financials (GBP mn)	2005	2006	2007	2008	2009
Revenues	1,540	1,695	2,001	3,042	3,148
EBITDA	207	229	249	330	324
EBITDA margin	13.4%	13.5%	12.4%	10.8%	10.3%
EBIT	109	117	128	172	160
EBIT margin	7.1%	6.9%	6.4%	5.7%	5.1%
Capex	247	167	233	264	288
Equity				718	788
Net financial debt				967	988

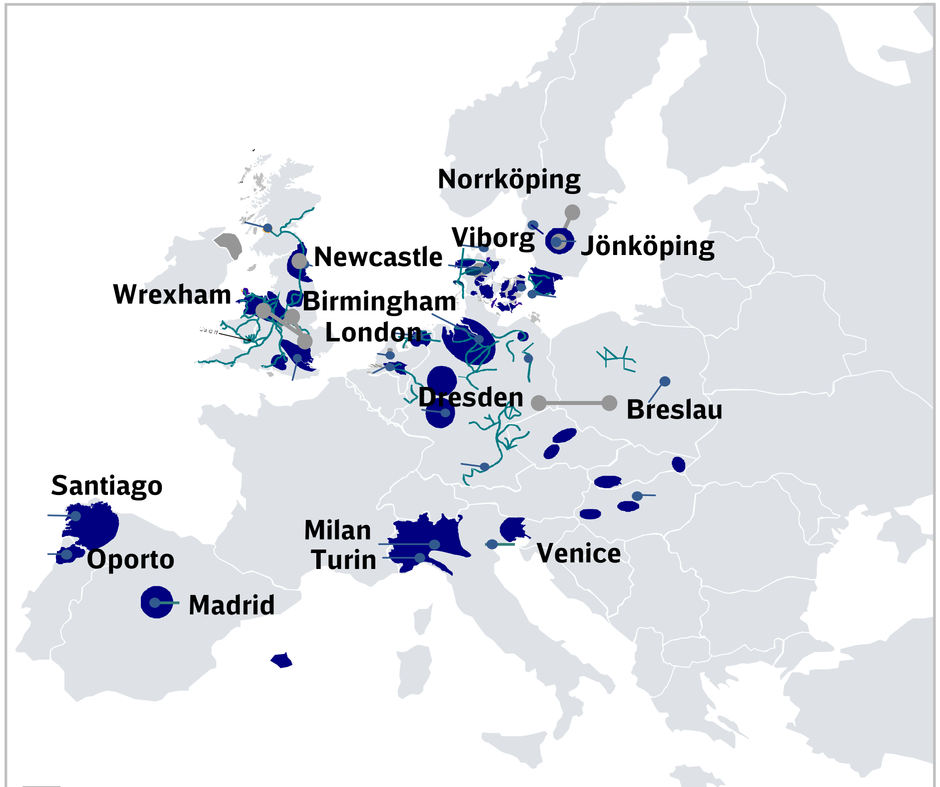
Order book by countries (2009)



Total: GBP 12.2 bn

Strong combined European-wide presence in 12 markets after acquisition

Combined European network



- International activities of DB Bahn (outside of Germany)
- Arriva bus operation areas
- Arriva rail lines

Strong combined market positions

Scandinavia (DK, SWE)

- Revenues: € 460 mn
- DK: 2nd in rail and 1st in bus
- SWE: 5th in bus and 4th in rail

UK

- Revenues: € 2,016 mn
- 3rd in bus and rail

Germany

- Revenues: € 12,551 mn
- 1st in rail and bus

The Netherlands

- Revenues: € 230 mn
- 3rd in bus and rail

Eastern Europe

- Revenues: € 39 mn
- 4th in bus in CZ; PL, HU, SL: n.a.

Iberia (Portugal, Spain)

- Revenues: € 182 mn
- 3rd in bus in Portugal; Spain: n.a.

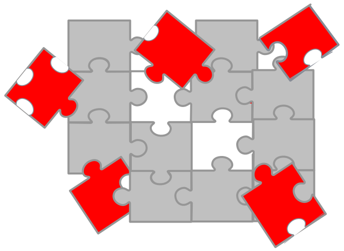
Italy

- Revenues: € 198 mn
- 1st in bus

Strategic framework for DB Schenker

Three key strategic priorities of DB Schenker

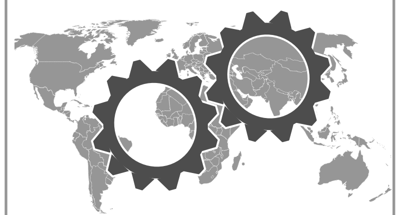
Expand integrated product offerings
- Integrated products
- Key account management
- Innovative solutions / Green Logistics



Advance core business
- Improve productivity and quality
- Optimize margins and costs
- Increase utilization
- Standardize products and processes

Offerings

Core business

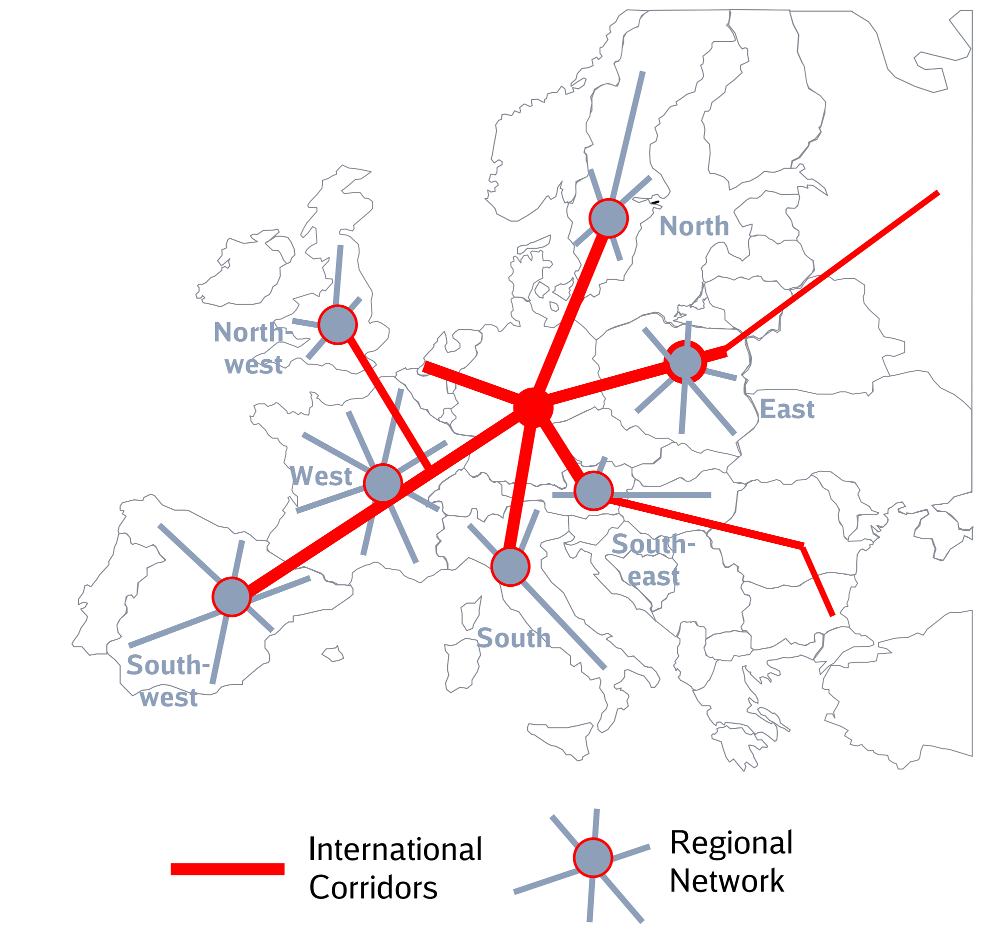


Strengthen networks
- Integrate acquisitions
- Connect international networks
- Extend presence and market shares

Markets

DB Schenker Rail consequently built up its European network

Rail freight network of DB Schenker



Acquisitions (fully consolidated as of Dec 31, 2009)

- **NL** NS Cargo (2000, DB share: 98%)
- **DK** DSB Gods (2001, 50%)
- **IT** Strade Ferrate del Mediterraneo (2004, 98%)
- **DE** RBH Logistics (2005, 98%)
- **CH** Brunner Railway Services (2007, 98%)
- **UK/FR/ES** EWS / ECR (2007, 100%)
- **ES** Transfesa (2008, 50%)
- **PL** PCC (2009, 98%)
- **IT** NordCargo (2009/2010, 59%)

Participations

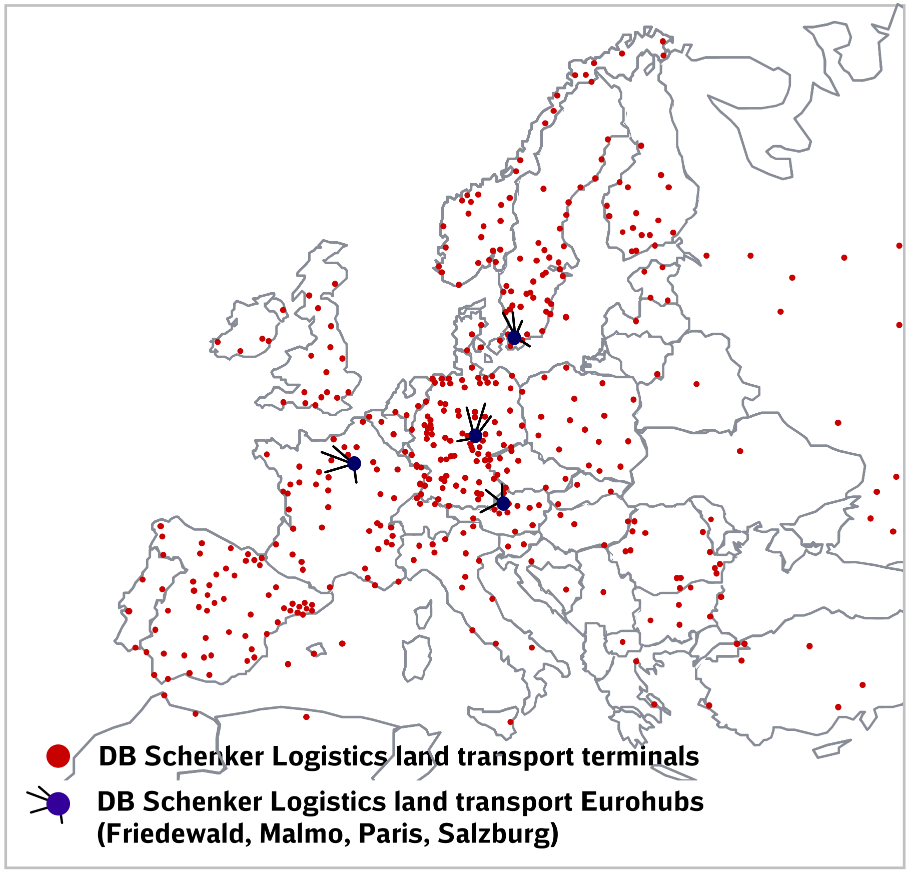
- **BE** Cobra (48%)
- **CH** BLS Cargo (44%)
- **DK/SE** Railion Scandinavia (98%)
- **IT** Rail Traction Company (4%)
- **RU** Trans Eurasia Logistics (30%)

Strategy

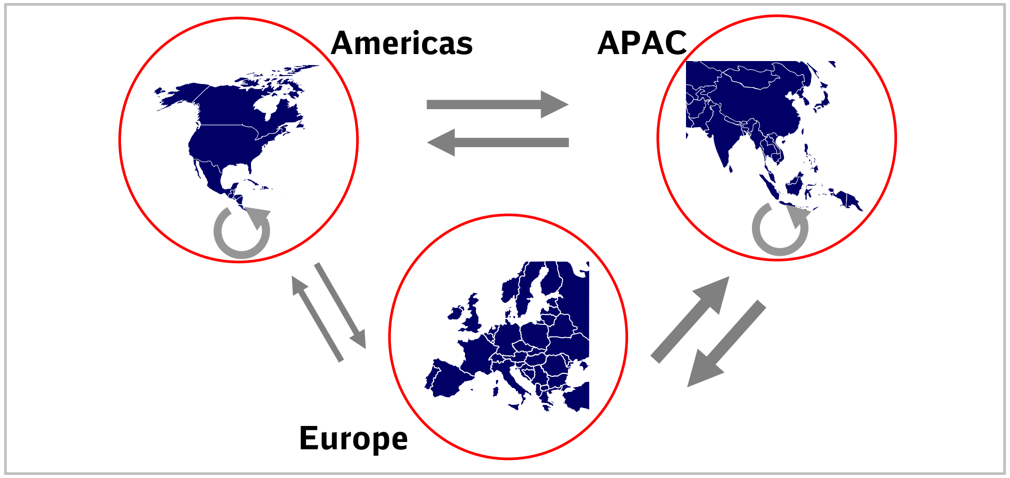
DB Schenker Logistics operates leading networks in its markets

International presence in more than 130 countries

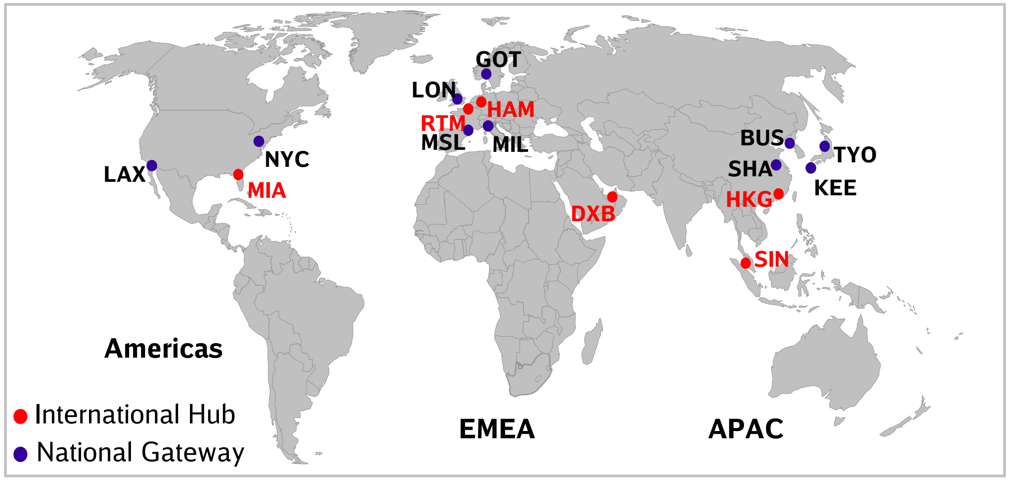
Land transport: 720 branches in 38 countries



Air freight

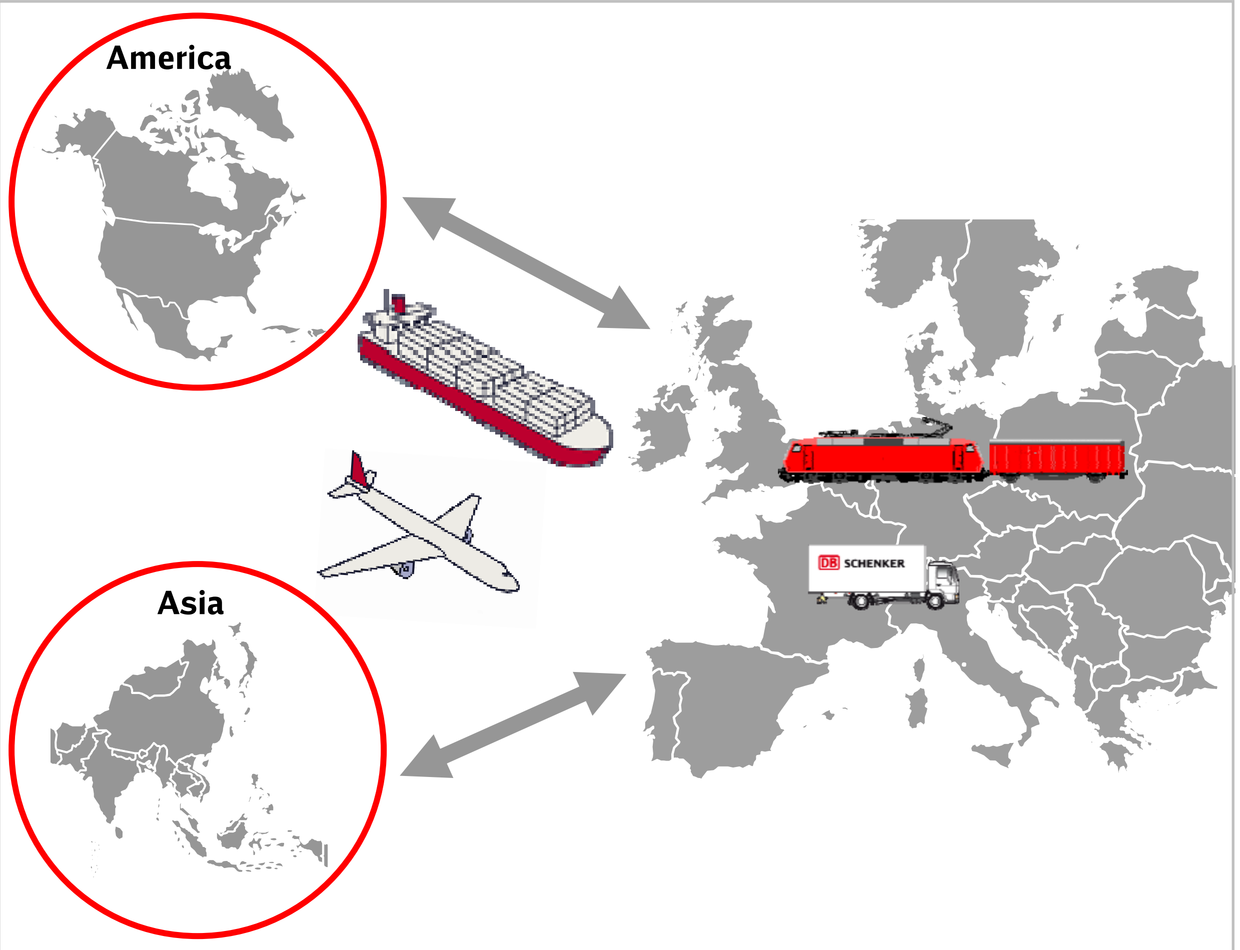


Ocean freight



European land networks benefit from DB Schenker's global presence

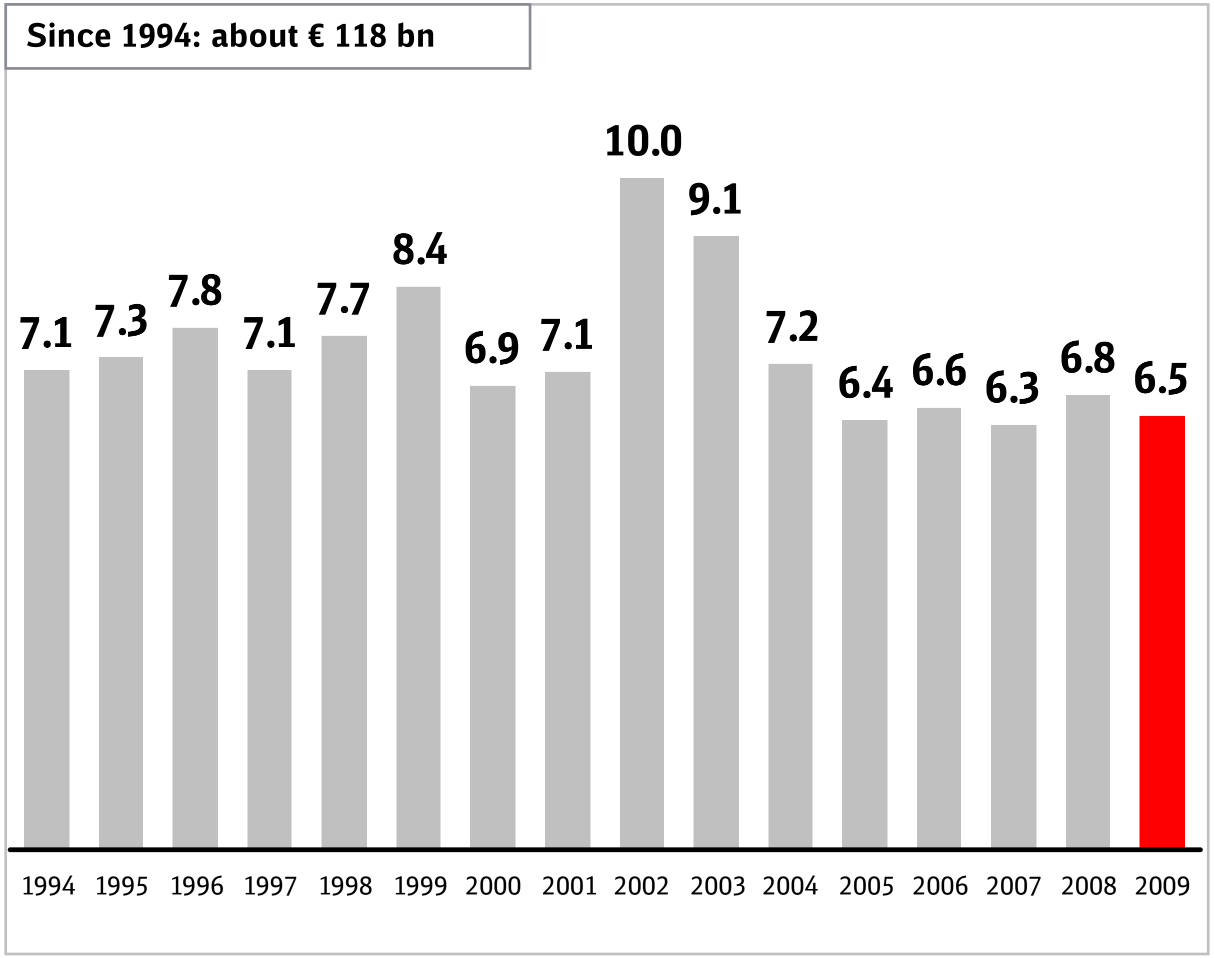
DB Schenker networks



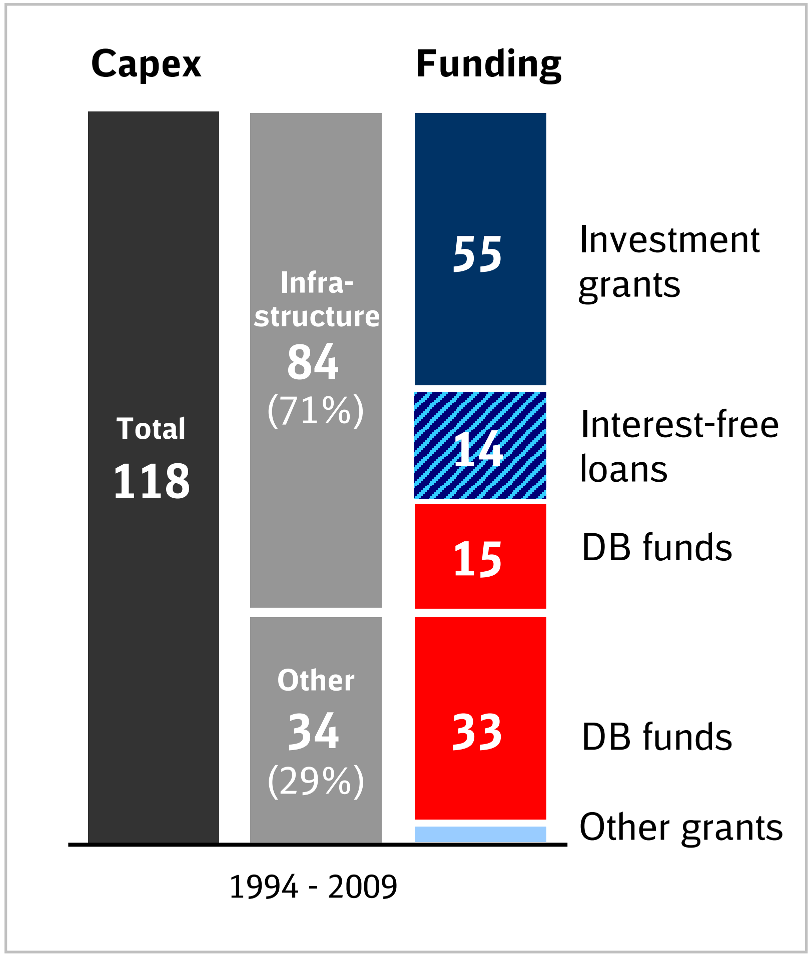
- **Linkage of European land networks** (road-rail)
  - Intermodal transport (containers)
  - Railports (single wagon transport)
- **Feeder and follow-up for air and ocean freight by road or rail transport**
  - Seaport hinterland
  - Road feeder services
- **Increase volumes of inter-European shipments**
  - By generating more business with European customers
  - Via new business with American and Asian customers

High capex level since 1994 for major overhaul of rail system

Gross capital expenditures (€ bn)



Structure and source of funds (€ bn)



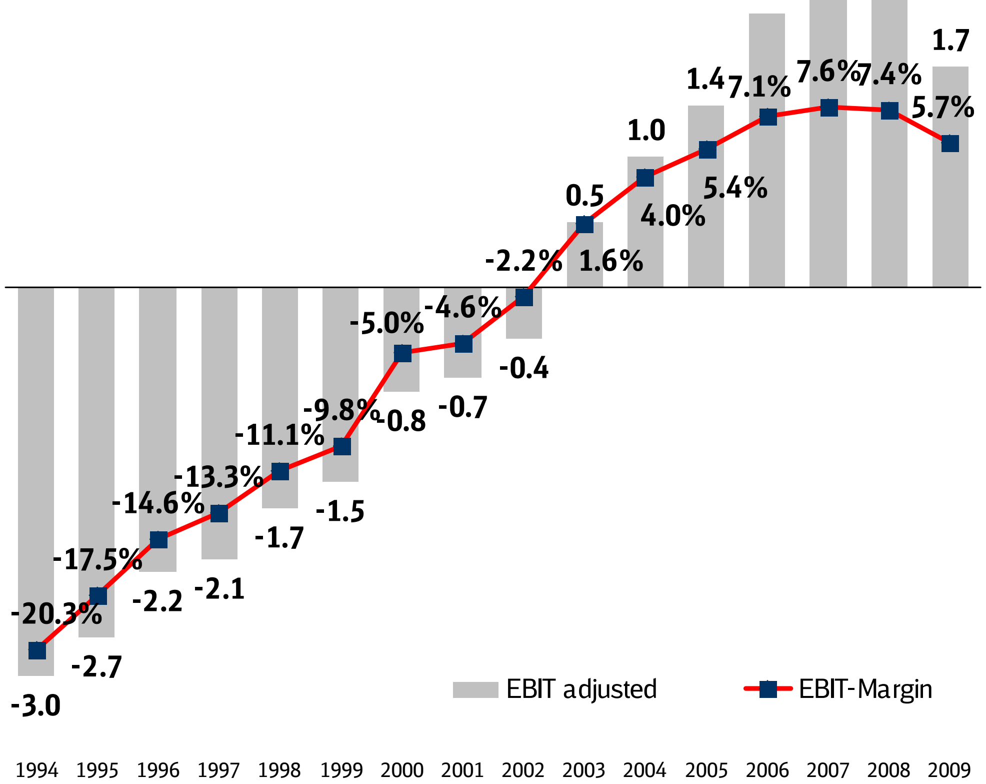
Figures until 2004 FY according to German GAAP

Track record

Balanced Group portfolio with strong networks helped us through the crisis

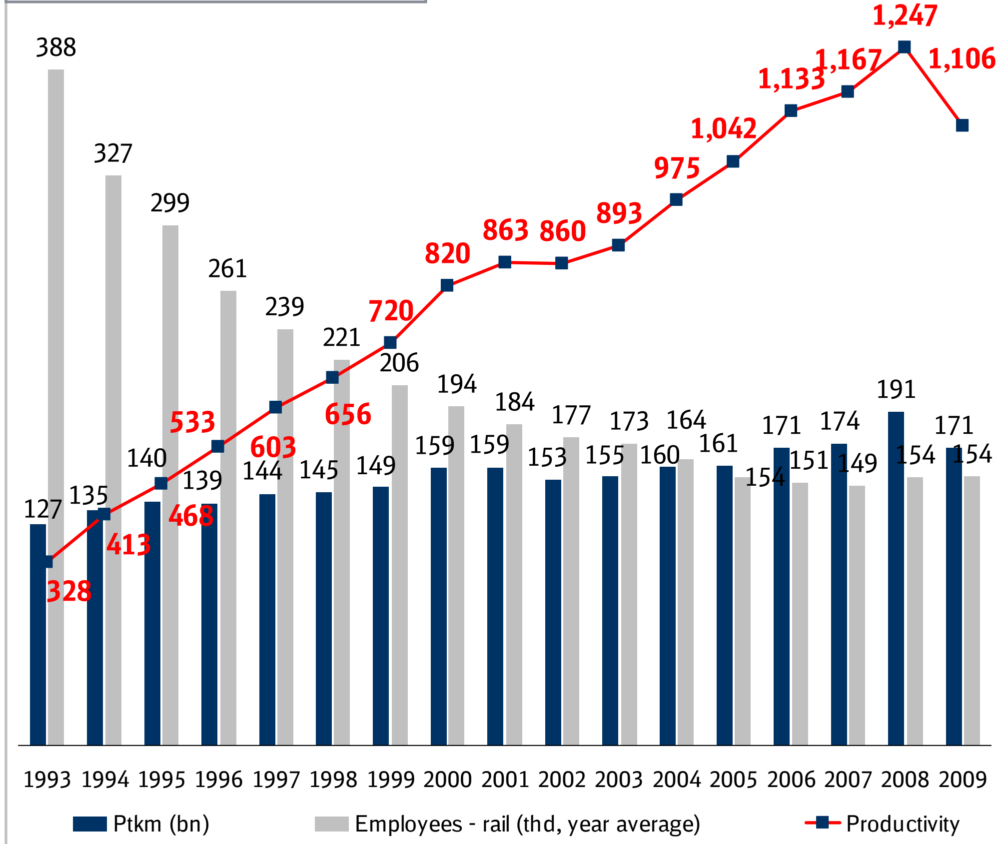
EBIT adjusted and adjusted EBIT-Margin
(€ bn or %)

1994-2009: ↗ € +4.7 bn
Per year: ↗ € +310 mn



Productivity – rail
(thousand ptkm/employee)

1993-2009: ↗ +237%
CAGR: ↗ +7.9%



Figures until 2004 FY according to German GAAP

Group-wide countermeasures bundled in reACT program

In total positive EBIT-effects of € 642 mn realized in the framework of reACT in 2009

reACT

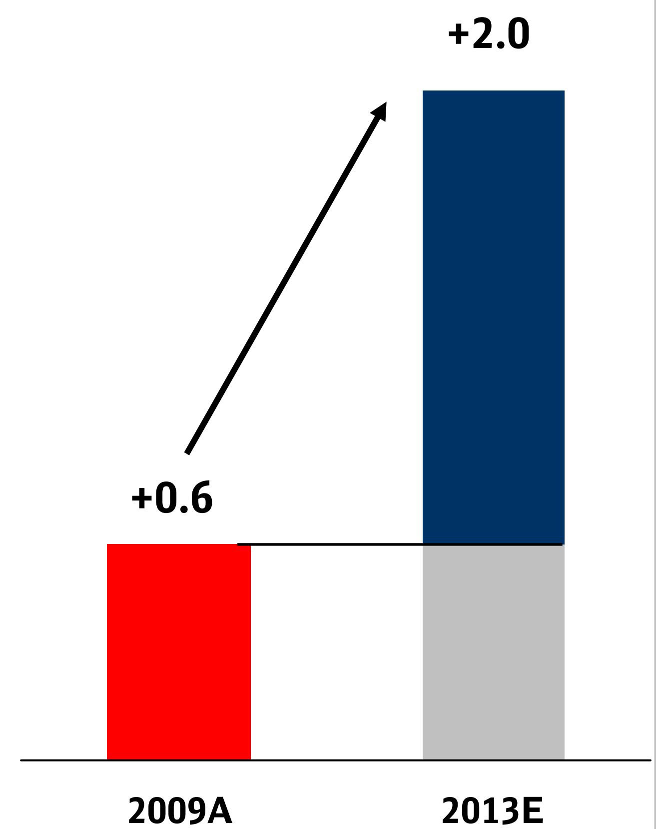
Defending of mid-term plan

Seizing of opportunities

- Group-wide program for further improvement of cost position and competitiveness
  - Cutting administrative expenses
  - Improving competitiveness of DB Bahn Regional
  - Enhancing productivity of DB Schenker Rail
  - Enhancing of profit margins of DB Schenker Logistics

- Measures effective in 2009
  - Expenses and capex management (effect: about € 300 mn)
  - Increasing productivity in rail freight transport (effect: about € 70 mn)
  - Optimization of foreign Group freight railways (effect: about € 70 mn)
- Seizing of opportunities resulting from market consolidation and weakness of competitors
  - Development of network railway DB Schenker Rail
- Accelerate expansion of infrastructure with funds from Economic Stimulus Plan

Effects on EBIT (€ bn)



Mobility
Networks
Logistics

Finanzpräsentation 2010

Frankfurt – Amsterdam – Paris – Zurich – Milan – Munich – London – Edinburgh

Financial Development 2009 and Q1 2010
Capital Market Activities

Deutsche Bahn AG / DB Mobility Logistics AG

Group Treasurer,
Head of Mergers & Acquisitions

Wolfgang Reuter

May 2010

Highlights 2009 Financial Year

Framework conditions

- Financial markets almost collapsed after Lehman broke down in September 2008
- Governments all over the world tried to stabilize the banking system with huge rescue programs
- Unprecedented economic crisis hit the economies and companies worldwide
- Governments reacted with economic stimulus packages
- Additional capex volume of € 1.3 bn for the German rail infrastructure

Coping with the crisis

- Due to financial crisis IPO and private placement activities of DB ML AG were postponed
- Due to uncertainties the approval of the mid-term planning by the Supervisory Board was postponed to May 2009
- As a first reply to the crisis DB Group secured cash by cutting expenses/capital expenditures, stopping recruiting and putting M&A activities on hold
- Implementation of Group-wide countermeasure program reACT in February 2009
- Third credit rating from Fitch since February 2009

Development of business

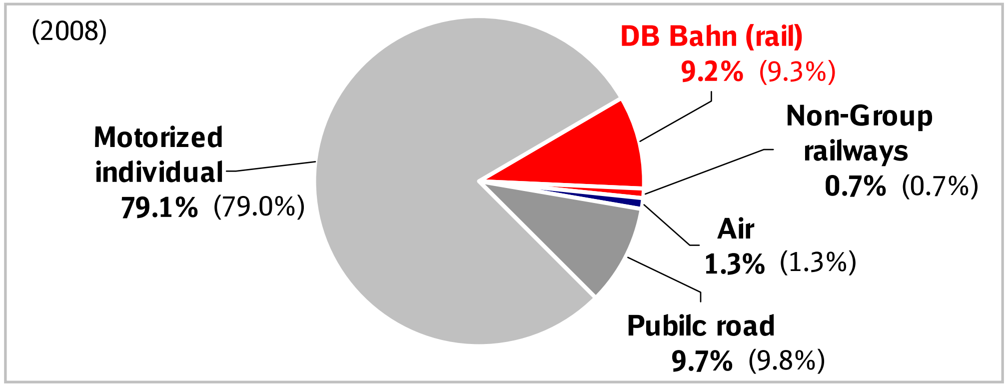
- Performance and Financing Agreement with the Federal Government implemented effective Jan 1, 2009
- Acquisition of PCC Logistics despite stop of M&A activities
- Restrictions in availability of ICE fleet and at S-Bahn Berlin due to technical problems
- Financing agreement signed for the largest rail infrastructure project in Germany for the next years (Stuttgart 21)
- The only European railway that remained in the black in the 2009 financial year was DB Group

2009 Financial Year – Market development

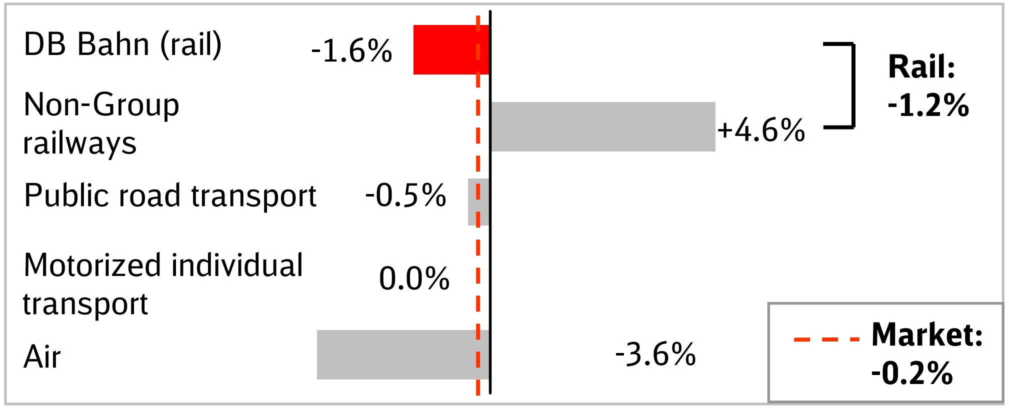
Stable development of German passenger transport market

Passenger transport (based on pkm)

Market share 2009 (%)

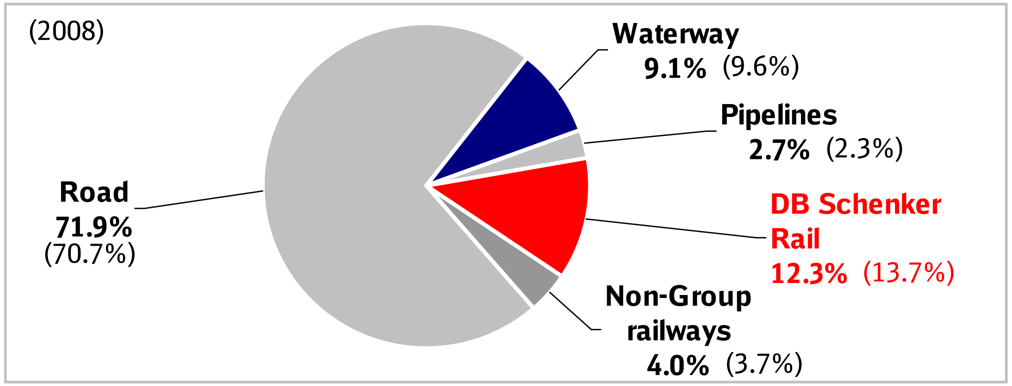


Growth rates 2009 (%)

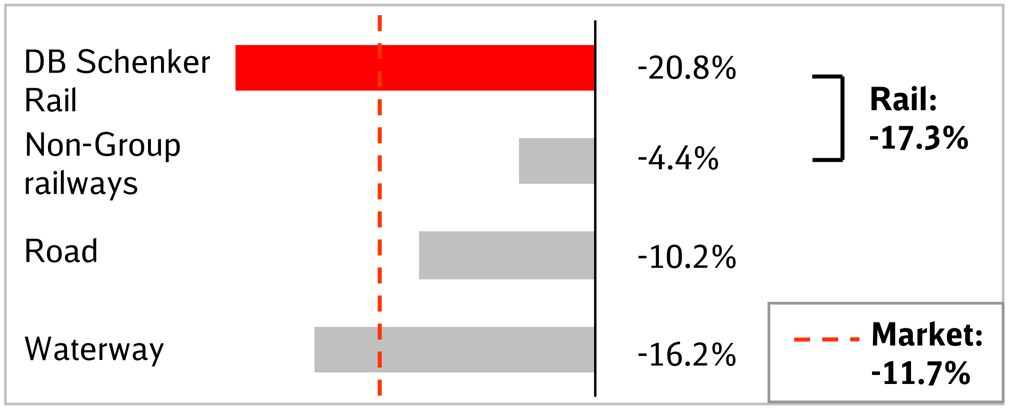


Freight transport (based on tkm)

Market share 2009 (%)



Growth rates 2009 (%)

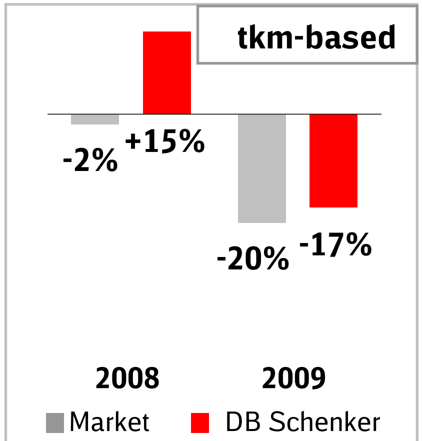


Market Development

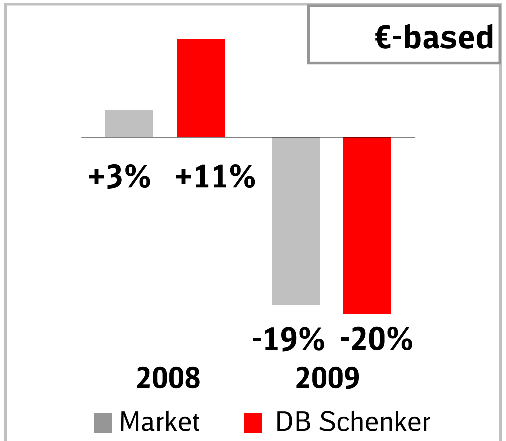
Significant downturn in European and global transport and logistics markets

European rail freight market	European land transport	Ocean freight	Air freight

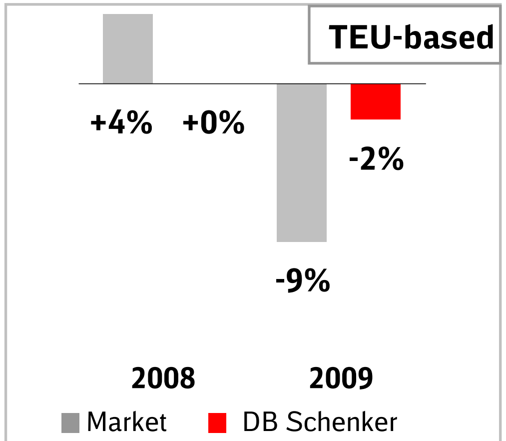
Market development



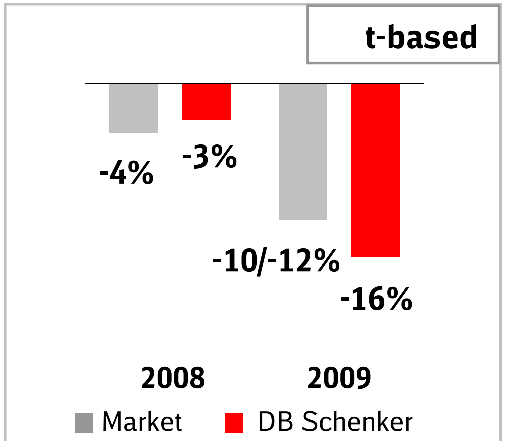
Slight improvement in Q4 2009



Significant fall in freight rates due to excess capacity until autumn 2009



Until mid-2009 market contraction of 15% with recovery in Q3 und Q4



Since mid-2009 stabilization of transport volumes

Key drivers

Development in key industries*:

Steel	-30%
Automotive	-25%
Chemicals	-11%

Economic development in Euro-area*:

GDP	-4%
Industry	-16%
Export / Import	-13/-12%

Turnover (TEU) at major ports of entry*:

Rotterdam	-9%
Antwerp	-16%
Hamburg	-28%

Import and export volume (in t) of major hubs*:

Frankfurt/Main	-10%
Miami	-14%
Hong Kong	-12%

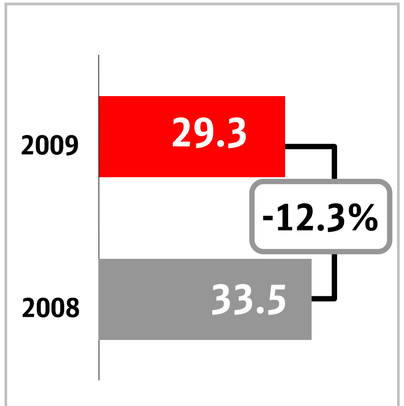
* 2009 vs. 2008.

Positive result despite historical economic crisis

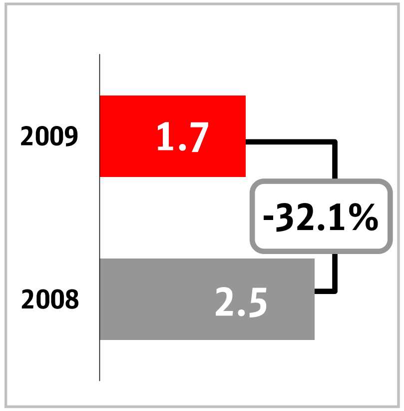
Highlights

- **Revenues: € 29.3 bn**
- **EBIT adjusted: € 1.7 bn**
- **EBITDA adjusted: € 4.4 bn**
- **Net financial debt: € 15.0 bn**
- **ROCE: 5.9%**

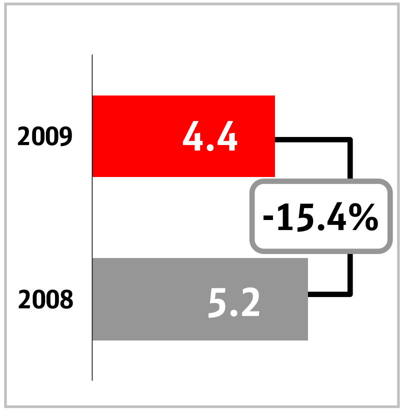
Revenues
(€ bn)



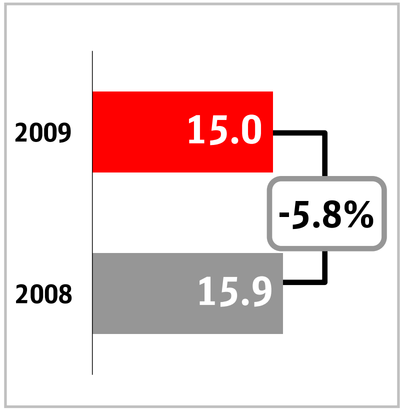
EBIT adjusted
(€ bn)



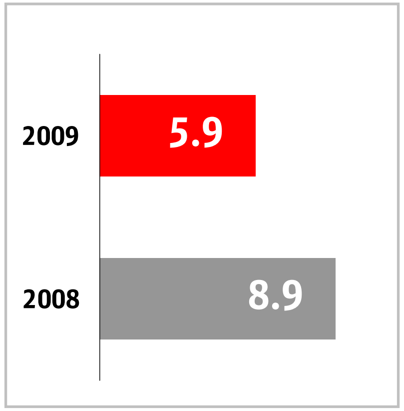
EBITDA adjusted
(€ bn)



Net financial debt
(as of Dec 31, € bn)

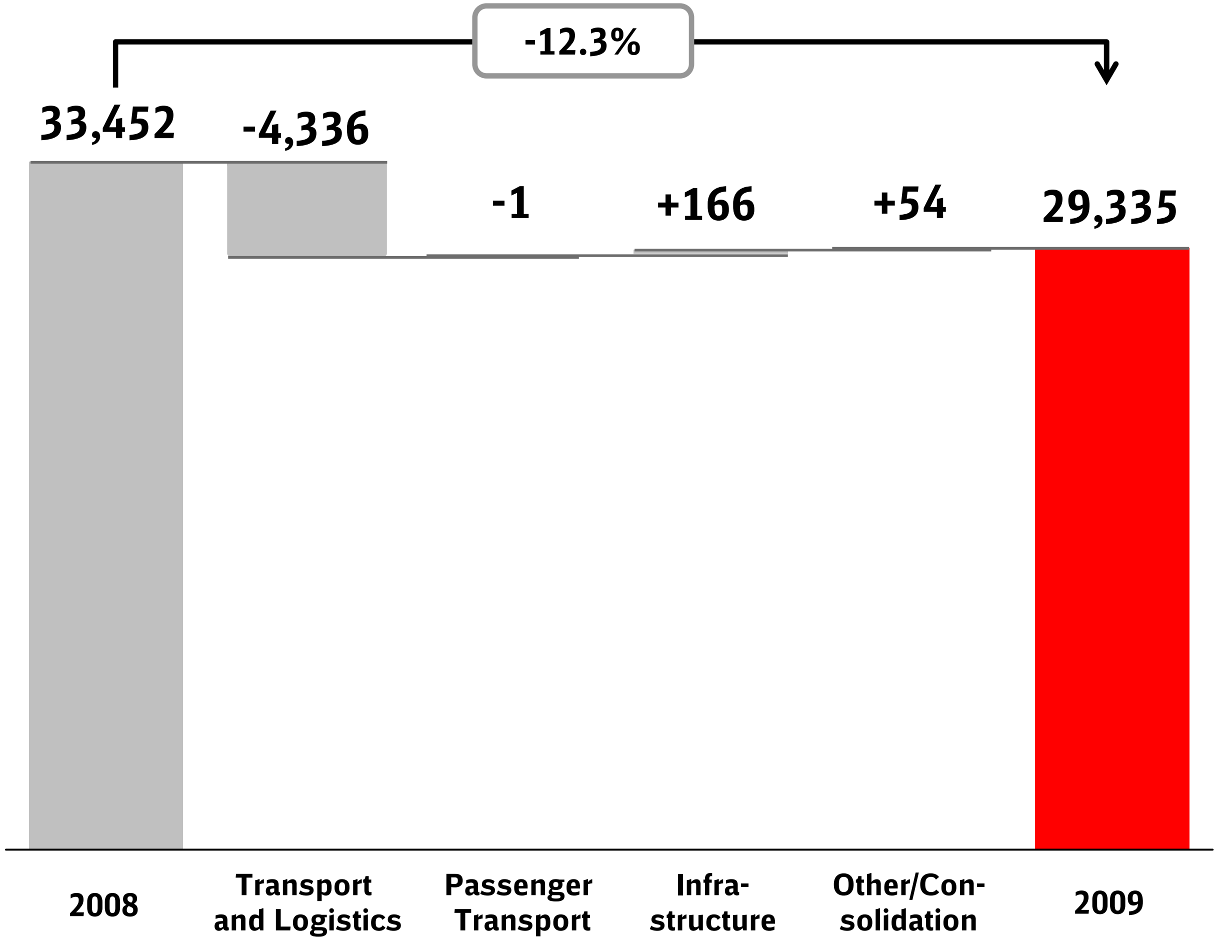


ROCE
(%)



Sharp decline in revenues mainly in the Transport and Logistics division

Revenues (€ mn)



Remarks

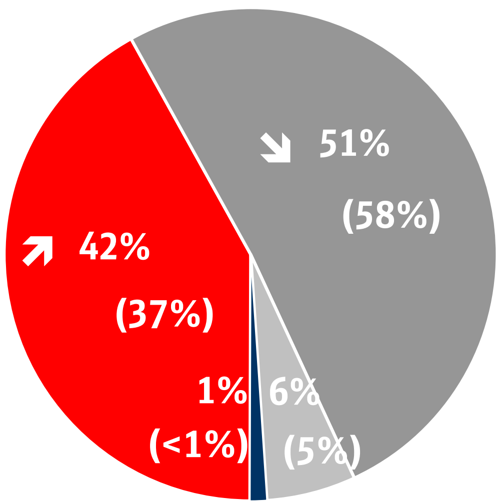
- Significant volume reduction in the Transport and Logistics business units lead to decline in revenues
- Constraints in operations at DB Bahn Long-Distance and at DB Bahn Urban (S-Bahn Berlin) result in performance slowdown by 1.3 % in the passenger transport business units
- Increase in revenues in the infrastructure business units as a result of increased non-Group demand and price adjustments for infrastructure usage

2009 Financial Year – Revenue Split

Shift in revenue structure in favor of Passenger Transport

Revenue split by divisions 2009

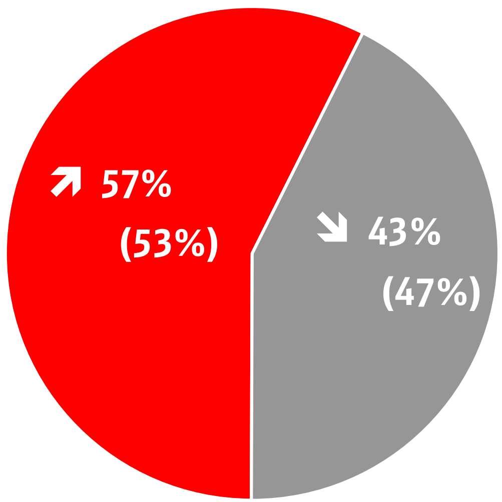
(2008)



DB Bahn
DB Netze
DB Schenker
Other

Revenue split by activities 2009

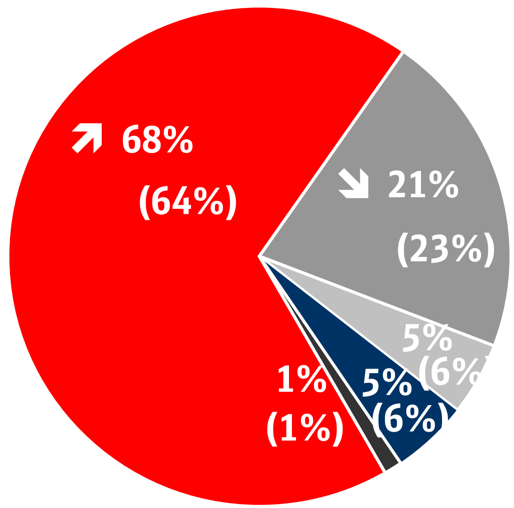
(2008)



Rail
Non-rail

Revenue split by regions 2009

(2008)

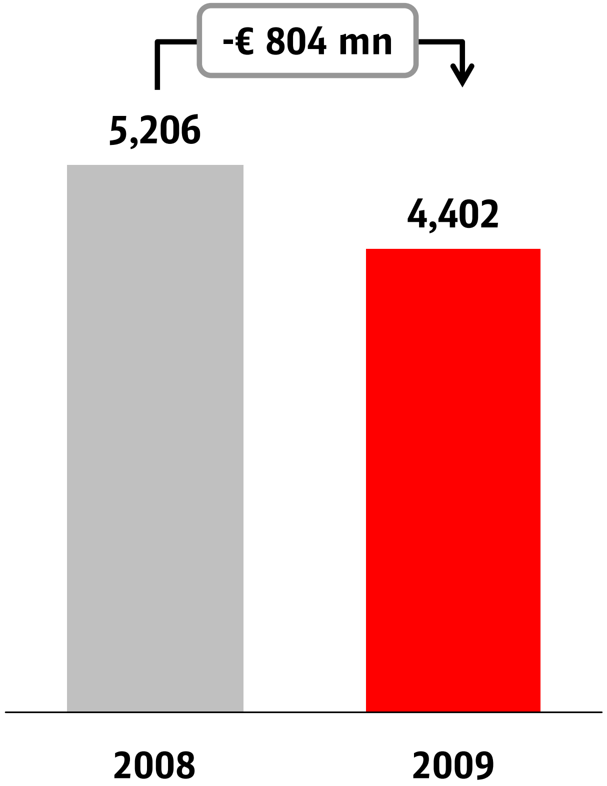


Germany
North America
Europe (excl. Germany)
Asia/Pazific
Rest of World

Development of main profit figures

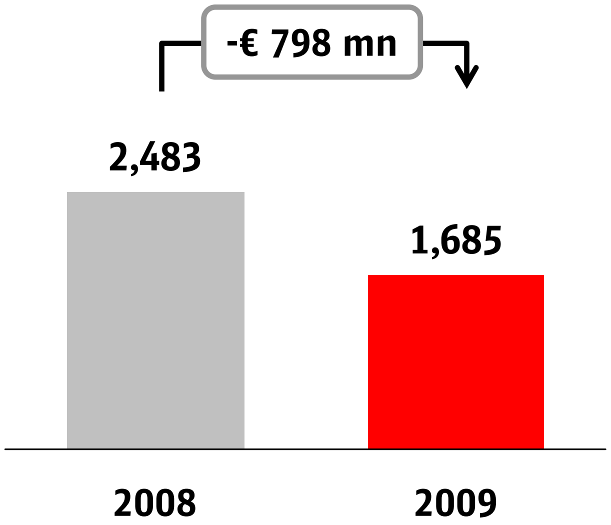
EBITDA adjusted (€ mn)

EBITDA margin:
2009: 15.0%
2008: 15.6%



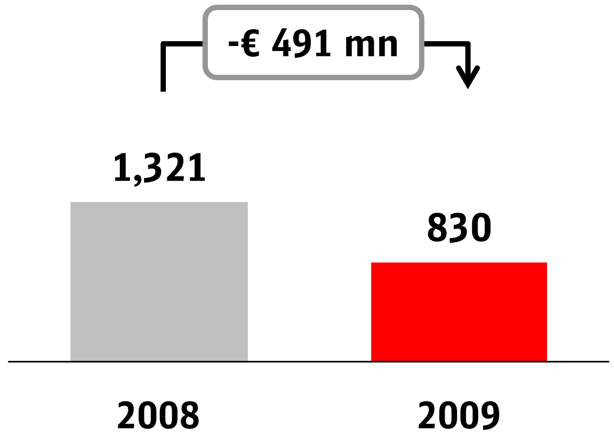
EBIT adjusted (€ mn)

EBIT margin:
2009: 5.7%
2008: 7.4%



Net profit (€ mn)

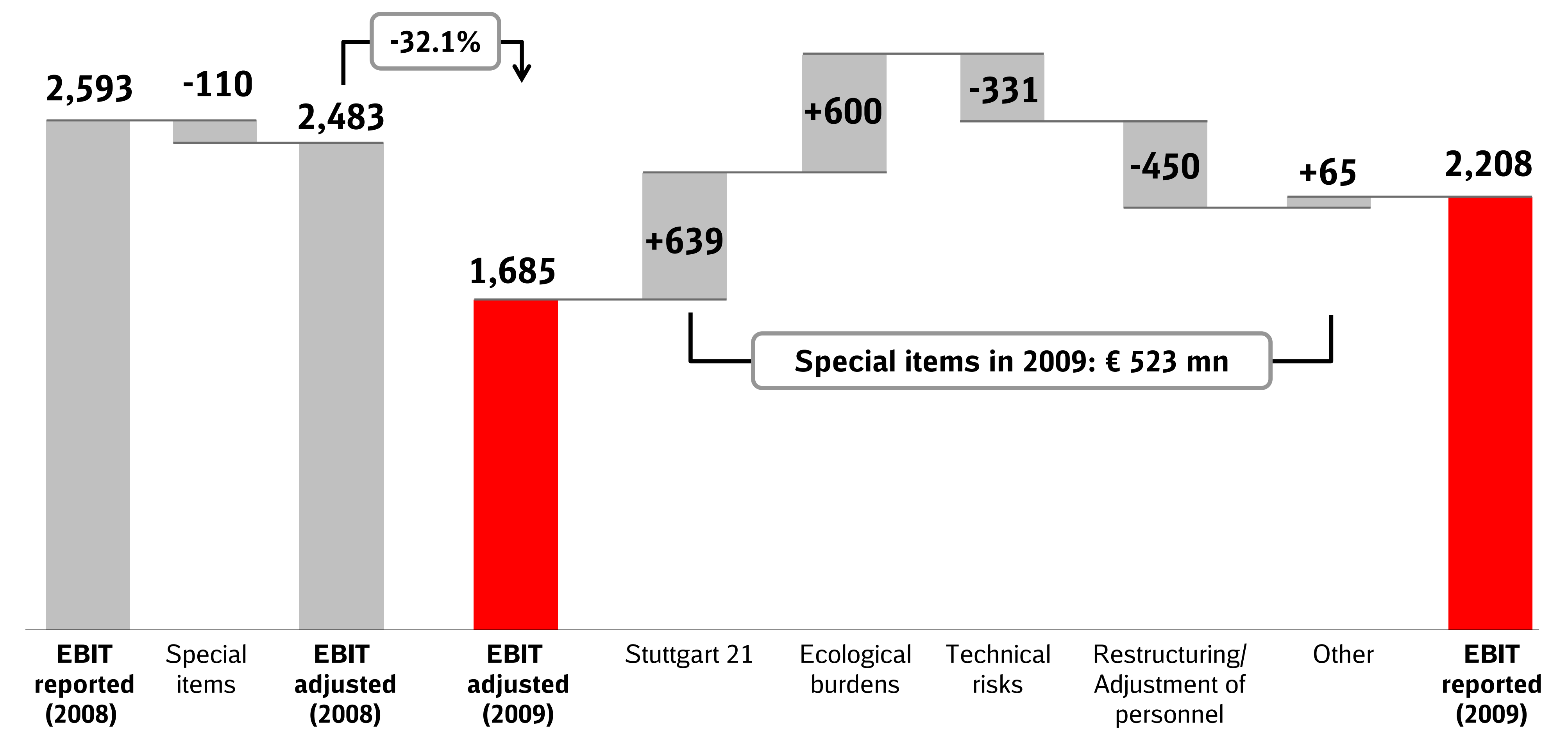
EPS:
2009: € 1.91
2008: € 3.04



Mobility Networks Logistics

Special items at € 523 mn are significantly higher than in 2008

EBIT and EBIT adjusted (€ mn)

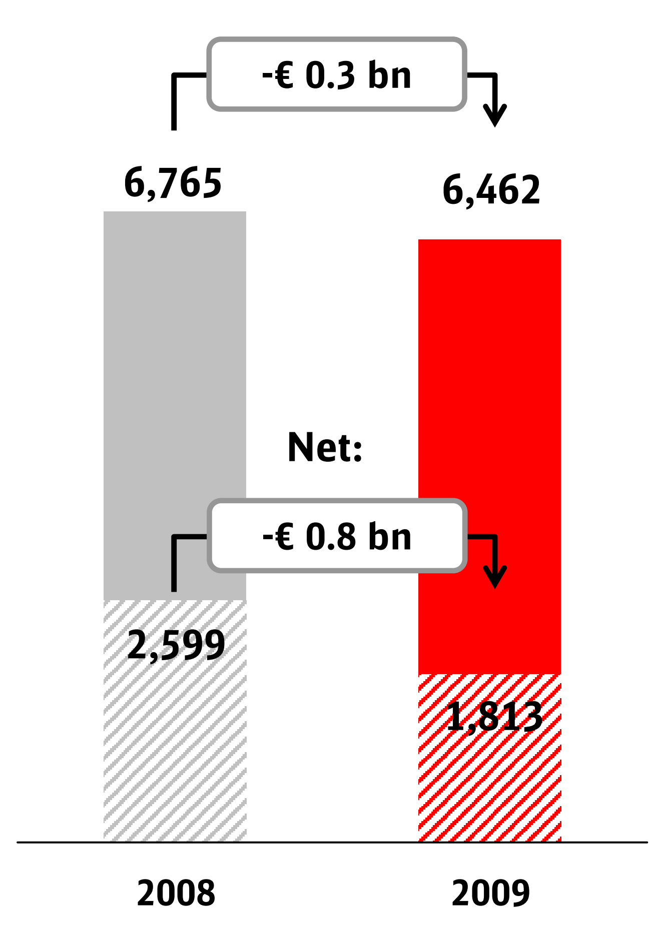


Decreasing EBIT adjusted on business unit level

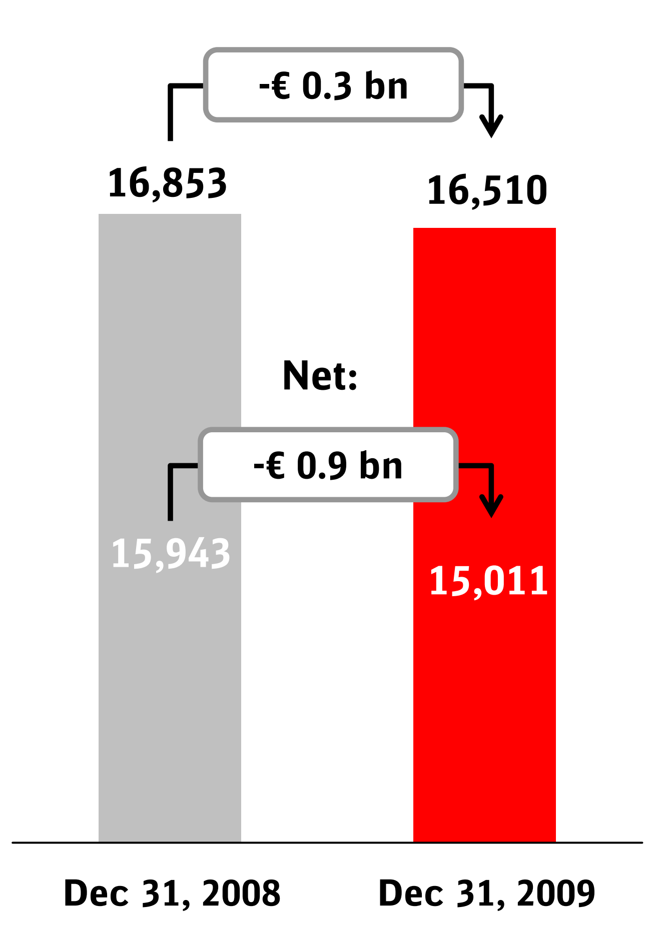
EBIT adjusted (€ mn)	2009 EBIT	2009 Margin	2008	Change by business unit (€ mn)
DB Bahn Long-Distance	141	4.0%	306	**-165** (-53.9%)
DB Bahn Regional	870	12.7%	857	**+13** (+1.5%)
DB Bahn Urban	100	5.0%	205	**-105** (-51.2%)
DB Schenker Rail	-189	-	307	**-496** (-)
DB Schenker Logistics	199	1.8%	381	**-182** (-47.8%)
DB Services	125	10.1%	131	**-6** (-4.6%)
DB Netze Track	558	12.8%	670	**-112** (-16.7%)
DB Netze Stations	217	21.2%	210	**+7** (+3.3%)
DB Netze Energy	103	4.5%	74	**+29** (+39.2%)
Other/consolidation	-439	-	-658	**+219** (-33.3%)
DB Group	**1,685**	**5.7%**	**2,483**	**-798** (-32.1%)

Almost € 1 bn reduction in net financial debt

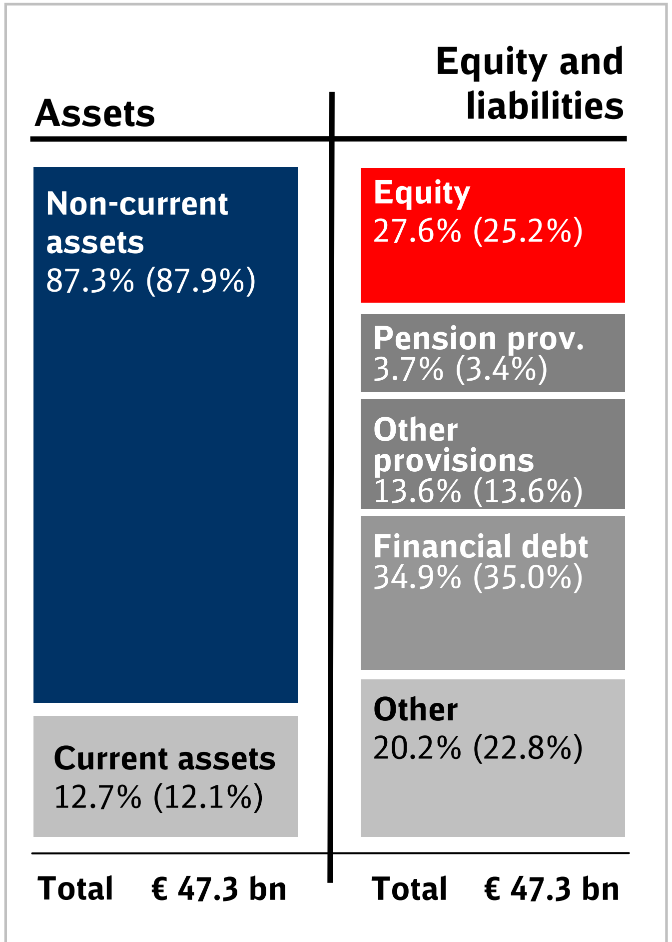
Gross capex (€ mn)



Financial debt (€ mn)

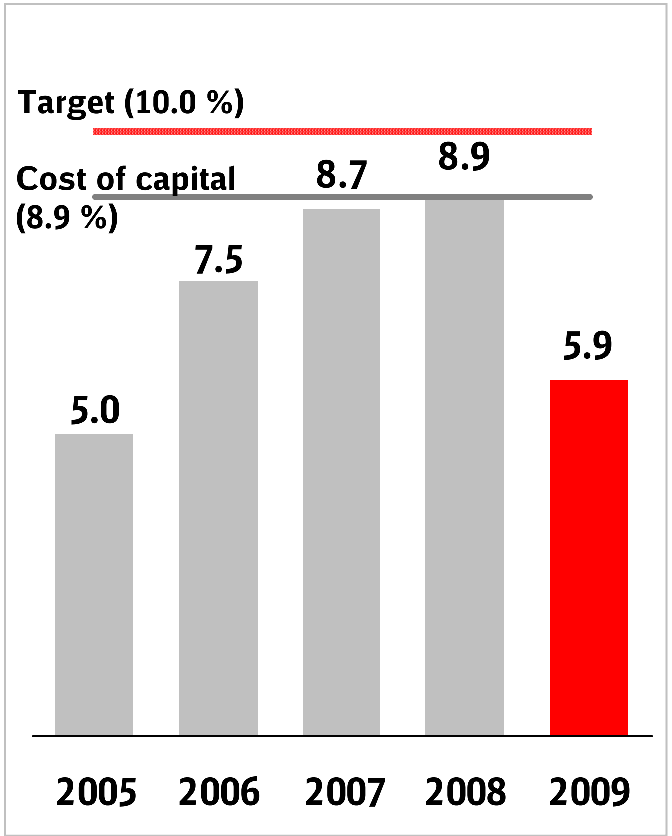


Balance sheet structure
(as of Dec 31, 2009)



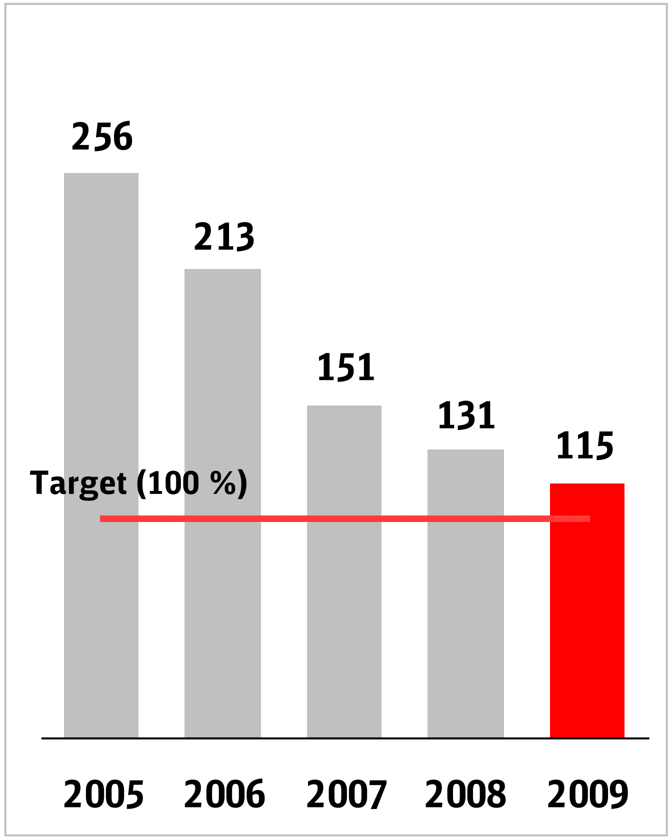
Weaker ROCE and redemption coverage, improvement in gearing

ROCE (%)



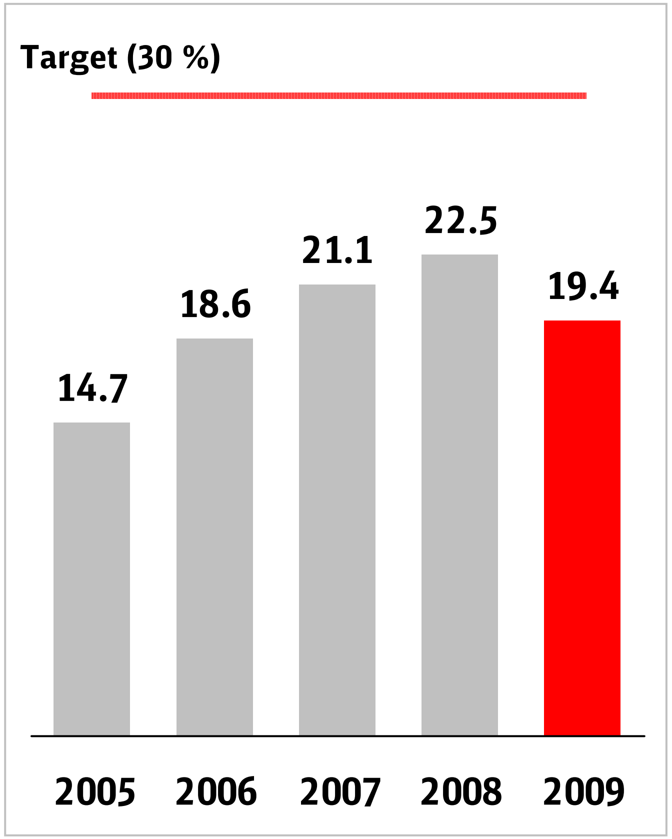
EBIT adjusted / Capital employed

Gearing (%)



Net financial debt / Equity

Redemption coverage (%)



Operating cash flow / Adjusted net financial debt

Rating and financing activities

Ratings

- **Very good ratings:**
  Moody's: Aa1/stable
  S&P: AA/stable
  Fitch: AA/stable
- Ratings confirmed in 2010

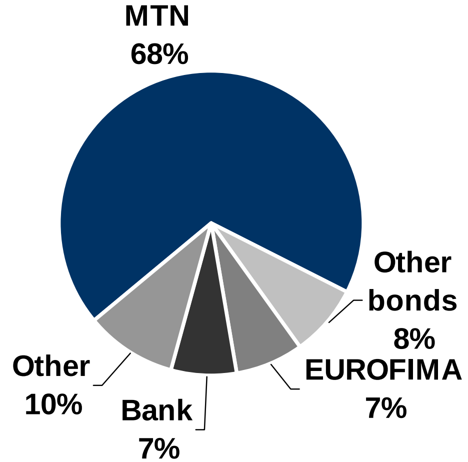
Major refinancing activities

Total volume in 2009: € 2.100 mn (as of Dec 31, 2009)

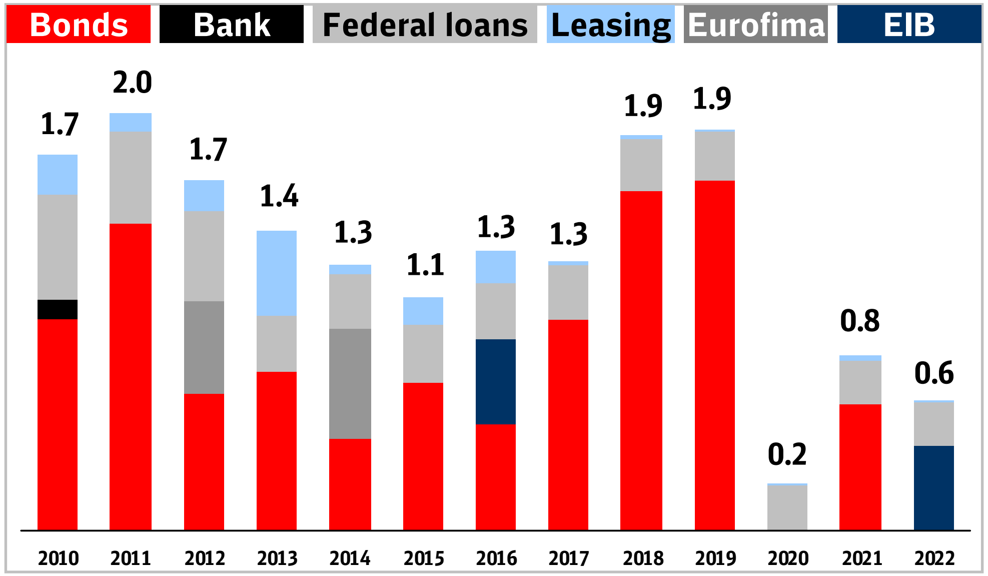
- € 1,000 mn bond with a 4.875% coupon issued in March
- € 600 mn bond with a 4.375% coupon issued in September
- € 500 mn bond with a 3.625% coupon issued in October

Interest-bearing debt
(%)

€ 13.2 bn
(as of Dec 31, 2009)

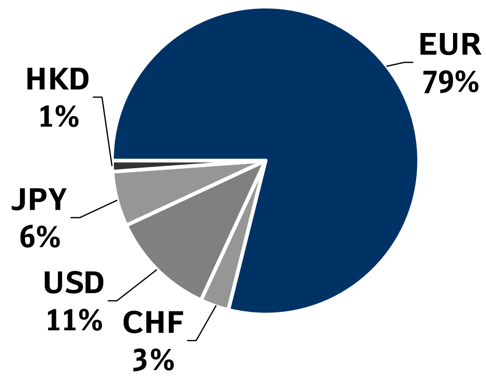


Maturity profile of financial debt
(as of Dec 31, 2009; € bn; incl. underlying swaps)



Currency structure MTN-program

(as of Dec 31, 2009)

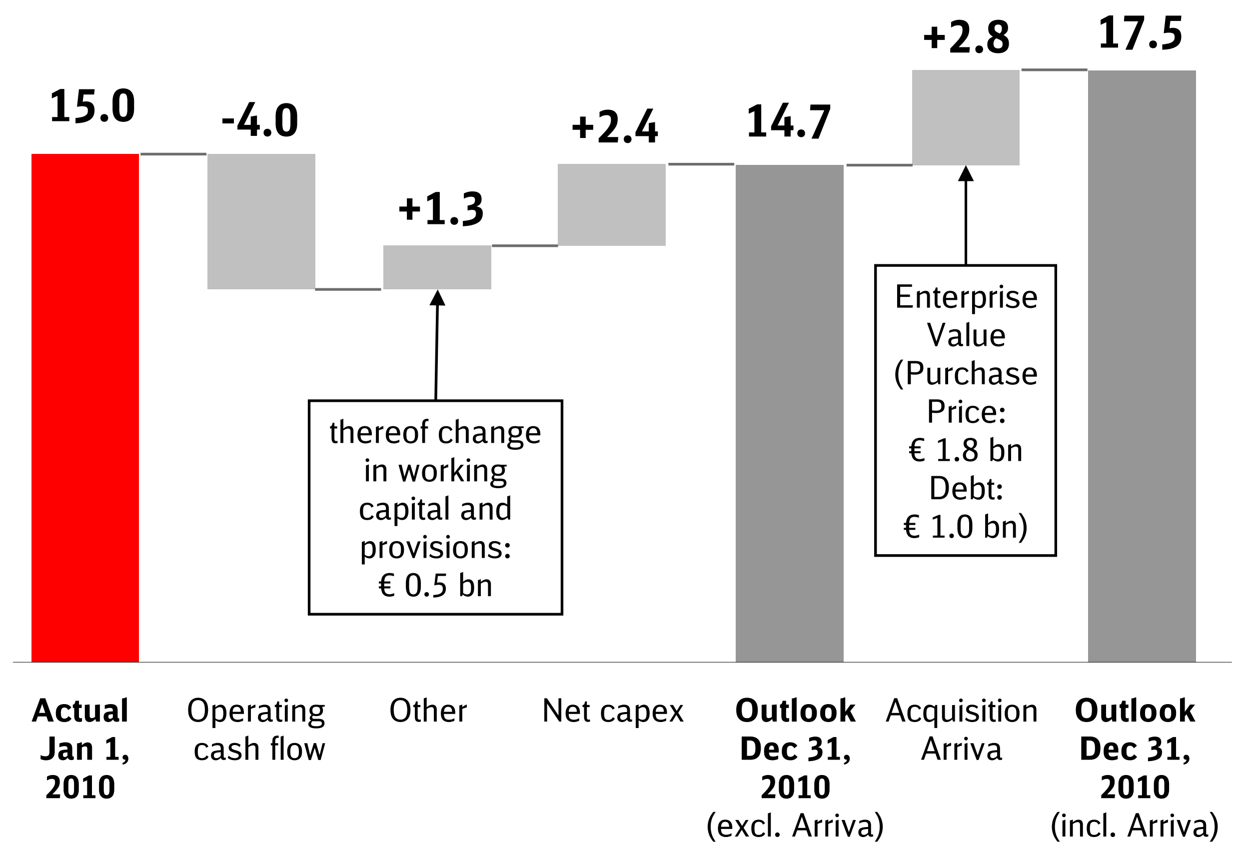


Focus on credit quality

Very good ratings	• Ratings: Moody's (Aa1) / S&P (AA) / Fitch (AA) • Profitable business development even in 2009 • Stable financial profile despite crisis, sound financing structure and conservative funding strategy
Obligations of the Federal Republic of Germany	• Federal obligations resulting from Art. 87e German Constitution - „Infrastructure obligations": High share in funding of infrastructure capex, amounting to around € 2.5 bn p.a. (replacement capex) - „Public interest obligations": Federal states receive funds for ordering local passenger transport services, amounting to around € 6.7 bn p.a. (increasing by 1.5% p.a. until 2014) - Privatization threshold: Up to 49.9% of shares to be privatized due to constitutionally mandated Federal majority shareholding („ownership clause")
Significant responsibility	• DB guarantees overall mobility in Germany and is Europe's largest company providing integrated mobility, transport and logistics services.
Operating performance	• Stable cash flow due to long-term service contracts with Federal states (2009 revenue share: 15%) – order book of € 28 bn, Arriva: GBP 12 bn, aggregated amount: about € 42 bn • Vertical integration as a major factor for business success • Productivity improved by 237% (workforce reduction in rail business by approx. 240,000 since 1994, EBIT increased by € 4.7 bn (€ 310 mn p.a.), EBITDA increased by € 6.4 bn (€ 430 mn p.a.) and total capex of € 118 bn since the 1994 German Rail Reform

Expected development of net financial debt / financial requirement in 2010

Development of net financial debt (€ bn)

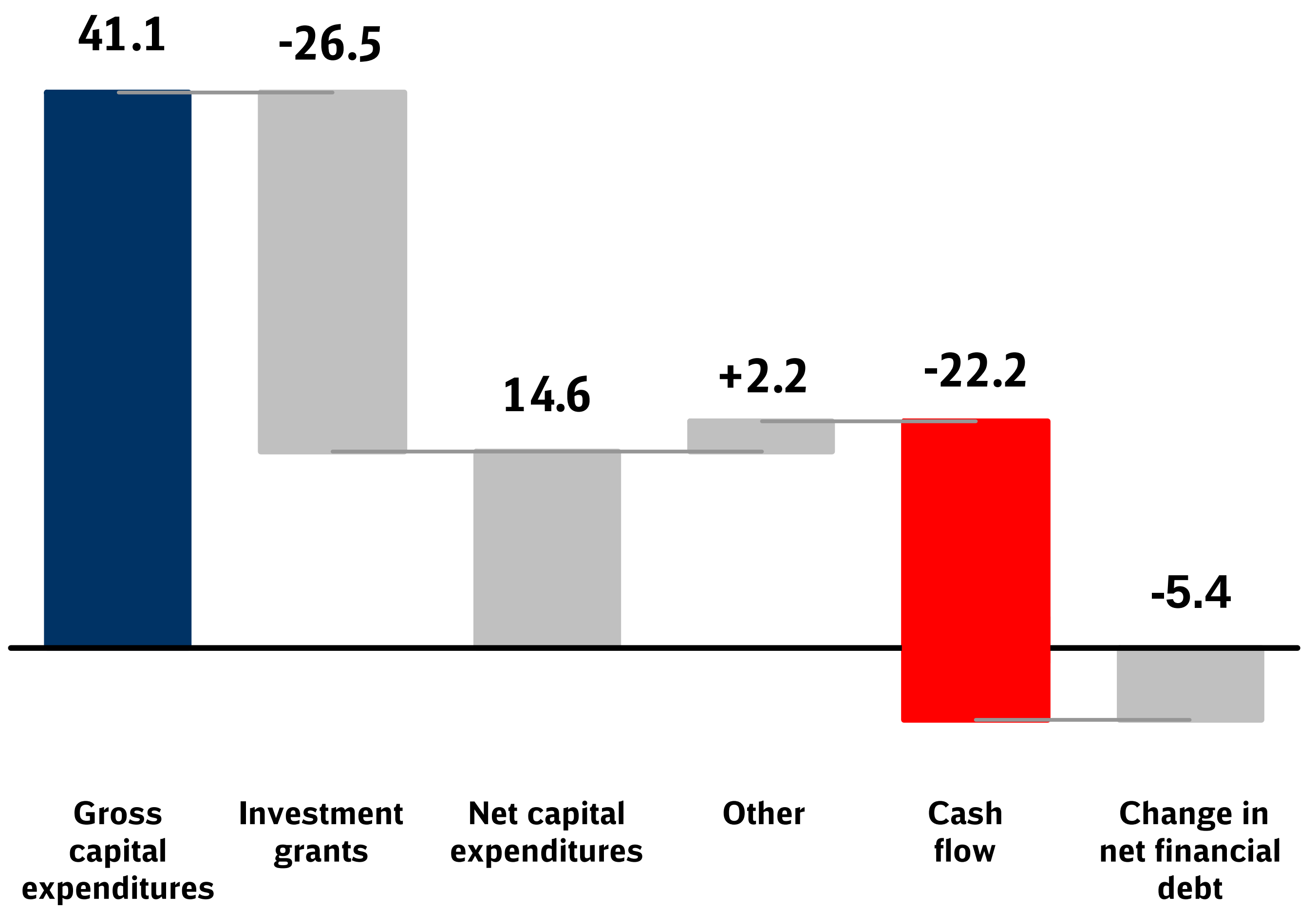


Development of net liquidity (€ bn)

Position	€ bn
Net liquidity (as of Jan 1, 2010)	+1.0
Repayments (2010)	-1.7
Purchase Price Arriva	-1.8
Net capex	-2.4
Operating cash flow	+4.0
Other	-0.5
Net liquidity (as of Dec 31, 2010; before capital market activities)	-1.4

Mid-term capex program and financing (excluding Arriva)

Capex and financing 2010-14 (€ bn)



Remarks

Other

- Funding needs other than capital expenditures (e.g. repayment of Federal Loans): € 2.4 bn
- Other internal financial sources (e.g. change in working capital): € 1.1 bn
- Other financial needs: € -1.3 bn

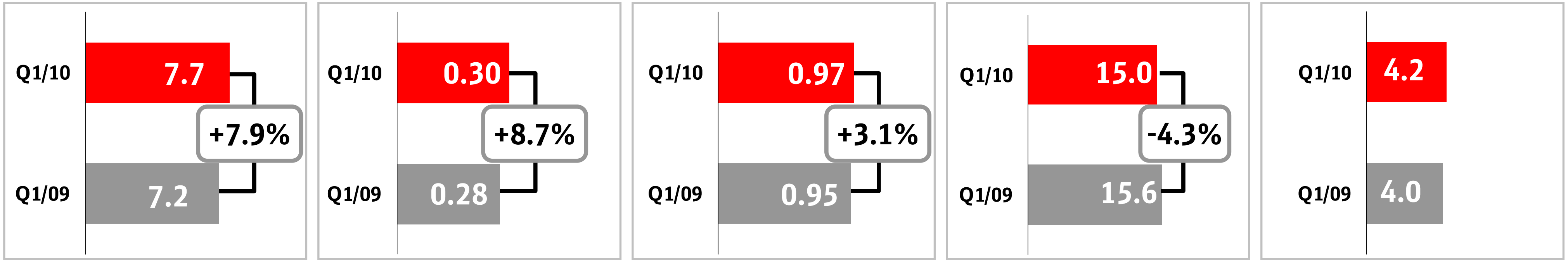
Cash flow

- EBT: € 8.4 bn
- Depreciation: € 14.8 bn
- Change in pension liabilities: € 0.3 bn
- Taxes: € -1.3 bn

2010 Financial Year – Outlook

Positive development in Q1 2010 and expected for 2010 financial year

Revenues (€ bn)	EBIT adjusted (€ bn)	EBITDA adjusted (€ bn)	Net financial debt (as of Mar 31, € bn)	ROCE (%)



Outlook* (€ mn)	2009	2010	Remarks
Revenues - comparable	29,335	↗	Increase expected due to recovery of economy and volumes
EBIT adjusted	1,685	↗	Disproportionate increase of expenses compared to revenues expected
ROCE	5.9%	↗	Improvement expected due to increase in adjusted EBIT
Net financial debt	15,011	↘	Decrease expected based on favorable business development
Gross capital expenditures	6,462	↗	Modernization process should continue on a higher level

*as of March 2010, excluding Arriva

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