DB Cargo Eurasia GmbH

Your strategic partner on the rail corridor between Europe and China – from 1000 to more and more trains. Together.

Dr. Carsten Hinne | DB Cargo AG | October 2018
Chinas – „Belt and Road“-Initiative is a strong driver for growth on the rail corridor between Europe and China
Great potential for rail freight transport between Europe and China

New European Land Bridge
6,200 rides since 2011
3,200 rides in 2017 only
4,000 rides in 2018 expected

Ca. 350,000 40-foot container each year

70 % of the trains run from east to west
50 % of the trains from west to east are empty

0.9 % share of rail freight transport contributes to the total freight transport of Eurasia

x2 transport share of the rail in the next decade possible

Duration: 15 – 20 d
Cost: 200 %
Duration: 25 %
Cost: 25 %
Duration: 200 %

DB Cargo AG | Dr. Carsten Hinne | DB Cargo Eurasia
The first eastbound train from DB Cargo was operated in 2008 for Fujitsu Siemens

**Routing**
Fujitsu-Siemens Computers
Company Train

**Example Fujitsu-Siemens train**
- 12,000 km in 17 days – from Xiangtang to Hamburg
- Customer’s opinion
  Fujitsu-Siemens:

  “We save one third of transportation costs and 95 % of CO₂ emissions compared to the air freight transport. This shows us that the rail transport is the best solution for us regarding economical as well as ecological perspective.”

(Heribert Göggerle, Senior Vice President Supply Operations, Fujitsu Siemens Computers)
5000 trains will be operated in 2020...

No. of trains

Until 2011

1st train started in 2008 from Beijing to Hamburg

2010: tests on Northern and Southern route

2011: Company trains
Chongqing – Duisburg
Leipzig – Shenyang

2012 + 2013

Regular trains east- and westbound (CN-EU v.v.)
Regular container shipments from China to CIS countries
First regular multi-customer train
Zhengzhou–Hamburg

2014 + 2015

Growing number of east- and westbound train services
DB Schenker enlarged service portfolio:
- Rail/Air
- LCL
- Reefer shipments

2016 + 2017

2200 trains WB and 1100 trains EB were operated in 2017 by the end of November
ChinaRailways announced to increase number of trains per year up to
- 5000 trains in 2020

2018 - 2030

Rail potential according UIC*-study:
- 7756 trains in 2027
  (21 train daily)
- 9880 trains in 2030
  (27 trains daily)

*presented August 2017 with Roland Berger in Paris

Source: DB Schenker
DB’s network of Land Transport is well connected by New Silkroad rail system

- Key USP: leading networks of DB Cargo and DB Schenker Land Transport in Europe and China are seamless connected by Trans-Eurasian intermodal blocktrains

Source: DB Schenker
DB is an international mobility and logistics company that was formed from several large, long-established companies.

**Family tree of Deutsche Bahn AG (simplified)**

- **The beginning**: Rail line connecting Nuremberg and Fürth (1835)
- **1872**: Schenker established
- **1931-1949**: German Imperial Railway buys Schenker
- **1938**: Cowie family opens motorcycle shop
- **1939-1945**: World War II
- **1949**: Deutsche Bundesbahn and Deutsche Reichsbahn split into Deutsche Bahn AG and Deutsche Reichsbahn
- **1949**: Majority stake in Schenker sold to Stinnes AG
- **1951**: Majority stake in Schenker sold to Deutsche Reichsbahn
- **1952**: Deutsche Reichsbahn becomes a federal state railway
- **1991-1994**: Deutsche Bahn AG established
- **1994**: Deutsche Reichsbahn becomes Deutsche Bundesbahn
- **1995**: Deutsche Reichsbahn sells Schenker to Schenker AG
- **1997**: Deutsche Bahn AG acquires Schenker
- **2000-2002**: Deutsche Bahn AG reacquires majority stake in Schenker
- **2005-2009**: Deutsche Bahn AG reacquires remainder of Schenker
- **2010**: Arriva acquired
- **Today**: International mobility and logistics company

**Acquisitions (selection)**

- BAX
- SPAIN-TIR
- TRANSFESA
- EWS
- REMTRANS GmbH
- PCC
- NORDCARGO

**DB Cargo Eurasia | Dr. Carsten Hinne**
Through its eight business units, DB operates in every segment of the transport market.

**Passenger Transport:**
Moving people from A to B – in Germany and throughout Europe

- **DB Long Distance**
  Long distance rail passenger transport

- **DB Regional**
  Regional and local passenger transport in Germany

- **DB Arriva**
  Regional and local passenger transport in Europe

**Freight Transport and Logistics:**
Smart logistics by land, sea and air

- **DB Cargo**
  European rail freight transport

- **DB Schenker**
  Global logistics services

**Infrastructure:**
Efficient, future-oriented rail infrastructure in Germany

- **DB Netze Track**
  Rail network

- **DB Netze Stations**
  Passenger stations

- **DB Netze Energy**
  Traction power

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1 The former DB Services Business Unit has been dissolved and its responsibilities distributed across the DB divisions;
2 In Germany and cross-border transport
3 And long-distance rail transport in the UK, through CrossCountry, an Arriva subsidiary
DB holds leading market positions – in Europe and throughout the world

Infrastructure
- No. 1: Rail infrastructure
- No. 1: Operation of rail stations

Freight Transport and Logistics
- No. 1: Rail freight transport
- No. 3: Air freight
- No. 3: Ocean freight
- No. 5: Contract logistics

Passenger Transport
- No. 1: Regional and local rail passenger transport
- No. 2: Long distance rail passenger transport
- No. 3: Public road transport
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 car** 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 as well as 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 2017

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>EUR 4,528 bn</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>EUR -90 m</td>
</tr>
<tr>
<td><strong>Employees (FTEs)</strong></td>
<td>28,257</td>
</tr>
<tr>
<td><strong>Metric ton km</strong></td>
<td>92,651 bn</td>
</tr>
<tr>
<td><strong>Freight carried</strong></td>
<td>271 million t</td>
</tr>
<tr>
<td><strong>Fleet</strong></td>
<td>2,758 / 83,386</td>
</tr>
<tr>
<td><strong>Avg. dist. transported</strong></td>
<td>342 km</td>
</tr>
</tbody>
</table>

1 Locomotives / freight cars
DB Cargo offers its customers a comprehensive European network

Your personal performance:
Over 28,000 employees in 16 country-organizations in Europe are at your service.

1 European Headquarter
DB Cargo is clear No. 1 in European rail freight

Leading position in Europe…
Market share 2016e, in % based on tkm¹

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>DB</td>
<td>22</td>
</tr>
<tr>
<td>SNCF</td>
<td>8</td>
</tr>
<tr>
<td>Rail Cargo Group</td>
<td>7</td>
</tr>
<tr>
<td>PKP Cargo</td>
<td>7</td>
</tr>
<tr>
<td>Mercitalia Rail</td>
<td>5¹</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

Source: Eurostat, companies, UIC, L.CVE
Over 250 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 offers you more free space in your own warehouse
- 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, economically and environmental-friendly transport

You can locate all multimodal logistics centers in Europe and loading sidings in Germany, Austria and Switzerland using our online tool at https://schienezugang.dbcargo.com/deu/start
In 2018 Deutsche Bahn established DB Cargo Eurasia in order to move even more traffic between Europe and China

With Offices in Berlin, Moscow and Shanghai

- Permanent direct communication with the Chinese logistics platforms
- We offer you: the best possible solution with best lead times based on DB Cargo's extensive rail network
- Equipment in most European and Chinese cities: availability upon request
- Tailored transport solutions (pre-/on-carryage, container stuffing, reefer container transports and more)
- We will still remain neutral to provide the forwarders with the best available service.
Our delivery network is one of the largest in the industry.

Up to 10 weekly trains heading both directions

Transit time starting from as low as 11 - 14 days

Service available:

Equipment

Track and Trace

Handling & Trucking
Alternative multimodal route:
sea freight Baltiysk-Rostock-Baltiysk
Your advantage compared to Hamburg

<table>
<thead>
<tr>
<th></th>
<th>Rostock</th>
<th>Hamburg</th>
<th>Advantage Rostock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seafreight/ Sea distance</td>
<td>300 nm</td>
<td>449 nm</td>
<td>✓</td>
</tr>
<tr>
<td>Frequency</td>
<td>3 calls per week</td>
<td>1 call per week</td>
<td>✓</td>
</tr>
<tr>
<td>Reliability</td>
<td>No locks/ No Chanel</td>
<td>Locks and Kiel chanel risk for delay and more costly</td>
<td>✓</td>
</tr>
<tr>
<td>Leadtime seajourney</td>
<td>1-2 days</td>
<td>2-9 days</td>
<td>✓</td>
</tr>
<tr>
<td>Independence</td>
<td>Full control about supply chain, dedicated loop</td>
<td>Dependend of liner service</td>
<td>✓</td>
</tr>
<tr>
<td>Cost saving potential</td>
<td>Hugh potential -&gt; every add. container creates an direct impact on rates</td>
<td>As part of an existing liner service stable rates</td>
<td>✓</td>
</tr>
<tr>
<td>Terminal</td>
<td>Stand alone position, short ramp upphase</td>
<td>No stand alone, no ramp up phase</td>
<td>✓</td>
</tr>
<tr>
<td>Distribution</td>
<td>Dedicated by rail operator, optimization possible if destination to Nuremberg</td>
<td>Shunting on highly frequented infrastructure -&gt; risk of delays even higher</td>
<td>✓</td>
</tr>
</tbody>
</table>
Your advantages as our customer

- The experience and know-how as "pioneer" operator of trains between China and Europe since 2008.
- Resources, infrastructure and know-how of DB as the biggest rail provider in Europe
- Established offices in Germany, Russia and China in order to accelerate your direct contact service in timely manner
- Rendering neutral services to forwarding companies
- Online booking system will soon be available for our customers
- Our service offer includes: terminal-terminal-, door-door and door-terminal delivery
- More flexibility regarding trade lines between Europe and China
Our trains produce approximately 95% less CO² emissions than air freight and less than one-third of the emissions produced by road.
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Thank you for your attention!