

STRATEGIC EQUITY INVESTMENT IN DEUTSCHE BAHN

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Deutsche Bahn operates a fully integrated business model



DB Mobility Logistics AG ("DB ML")

DB Bahn			DB Schenker			Infrastructure ¹		
€mm	PF 2008 ²	PF 2009 ²	€mm	2008	2009	€mm	2008	2009
Revenues	15,413	15,473	Revenues	19,683	15,347	Revenues	5,367	5,394
EBITDA	2,638	2,386	EBITDA	1,111	478	EBITDA	1,946	1,933
%margin	17.1%	15.4%	%margin	5.6%	3.1%	%margin	36.3%	35.8%

Business segments	Logistics	Track
<p>Long Distance</p> <ul style="list-style-type: none"> Provides national and transeuropean transport services No. 1 in Germany with 99% market share <p>Regional</p> <ul style="list-style-type: none"> Biggest segment within the transport services Total of 1,243mm passengers in 2009 No. 1 in Germany with 80% market share <p>Urban</p> <ul style="list-style-type: none"> Operates the commuter rail in Berlin and Hamburg as well as bus services No. 1 in bus transport and S-Bahn services in Germany <p>Arriva</p> <ul style="list-style-type: none"> Provides pan-European public transport services (rail, bus, coach) 	<p>Logistics</p> <ul style="list-style-type: none"> Leading provider of integrated logistics services Offers worldwide land, air and ocean freight, contract logistics and intermodal transport solutions No. 1 in European land transport No. 2 in global air freight No. 3 in global sea freight No. 6 in global contract logistics <p>Rail</p> <ul style="list-style-type: none"> Leading European rail freight service operator No. 1 in Europe with 22% market share No. 1 in Germany with 75% market share 	<p>Track</p> <ul style="list-style-type: none"> Responsible for the operations and maintenance of the rail infrastructure Controlling and pricing of the allocation of the rail track <p>Stations</p> <ul style="list-style-type: none"> Operates more than 5,500 train stations in Germany Development and marketing of the stations

Sales breakdown	DB ML	DB Schenker	Infrastructure
<ul style="list-style-type: none"> 20% Arriva 23% Long Distance 13% Urban 44% Regional 	<ul style="list-style-type: none"> 74% Logistics 26% Rail 	<ul style="list-style-type: none"> 81% Track 19% Stations 	

An equity investment in DB ML provides direct access to the global market

Source: Company data

Note: Revenues represent total revenues (external and internal); Exchange rate used for Arriva Financials: 1 GBP = 1.123 EUR

¹ Infrastructure excludes Services and other subsidiaries

² All DB Bahn Financials (DB Bahn and Group) are pro-forma including Arriva

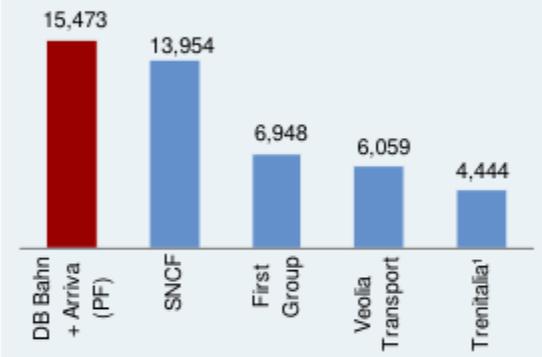
DB ML is a leader in each business segment in which it operates

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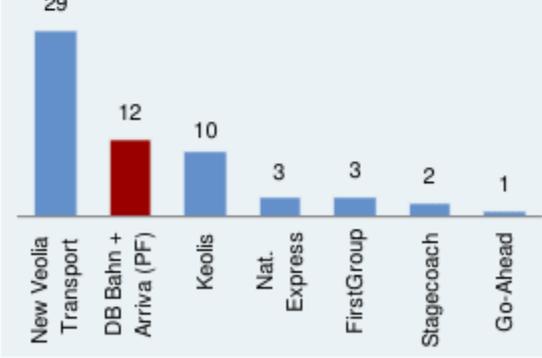
European passenger market

- Post acquisition of Arriva, DB Bahn is the largest European public passenger transport company
- Diversified pan-European operations in bus and rail sectors

European operators (sales 2009 €mm)



Geographic Presence (# countries)



Source: Competition report 2009, Company information
 Note: EUR/GBP FX rate of 1.123 applied
¹ 2008 data

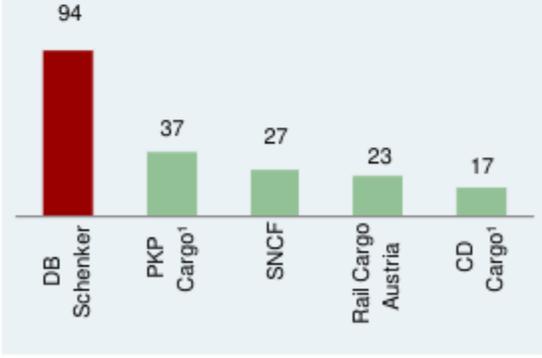
European rail freight market

- DB Schenker Rail is the leading European rail freight operator
- Extensive network with strategic presence in key trade corridors and ports

Freight transport performance 2009 (mm tons)



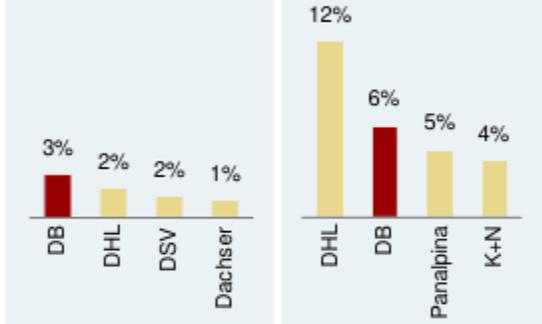
Volume 2009 (bn ton km)



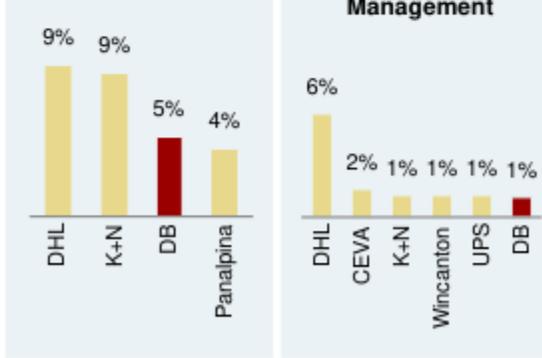
Global logistics market

- DB Schenker Logistics is a global player with leadership positions in sea, air and land
- Unmatched breadth of service offering and connectivity of global network

European land transport

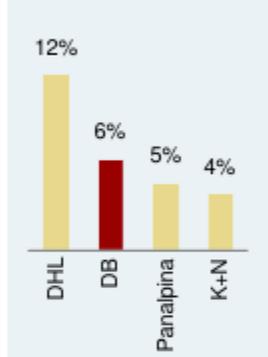


Sea freight

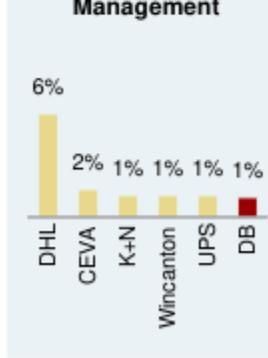


Market share based on sales

Air freight



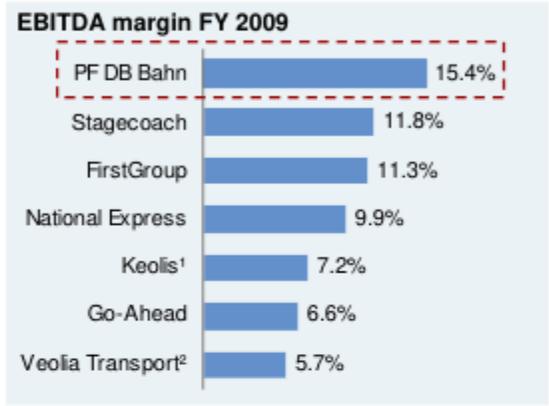
Global Supply Chain Management



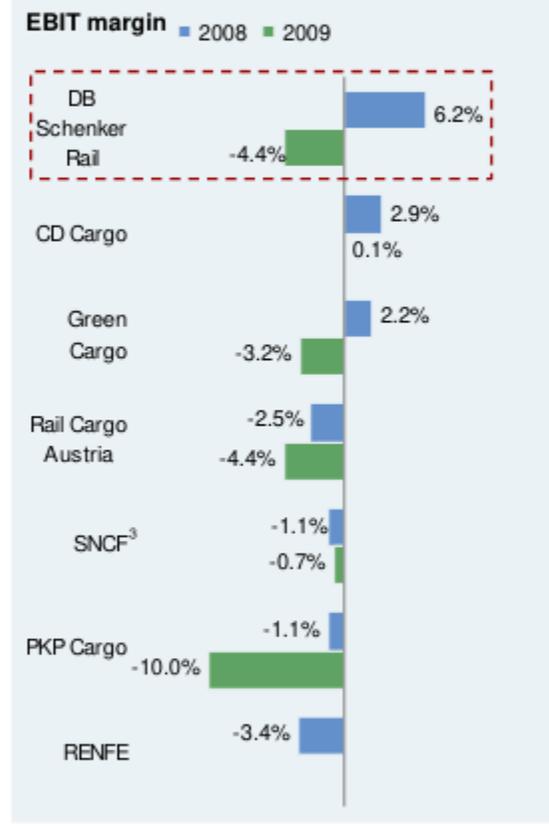
DB ML outperforms its public transport and rail peers, while offering upside in logistics

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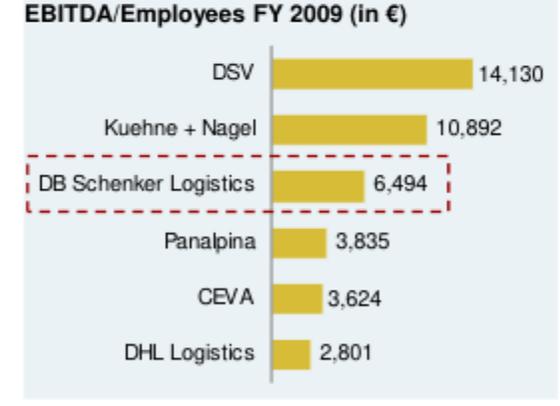
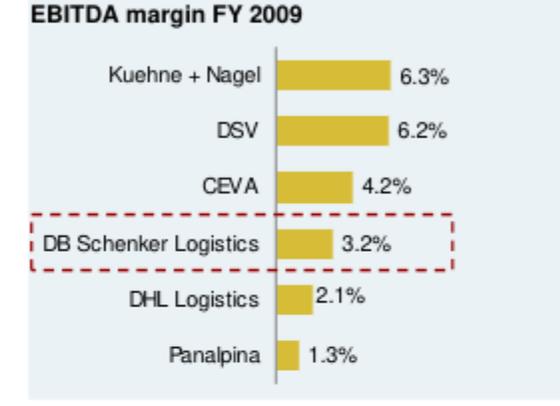
DB Bahn



DB Schenker Rail



DB Schenker Logistics



Source: Company information
 Note: Financials calendarised to 31 December 2009; DB Bahn pro-forma including Arriva; EUR/GBP FX rate of 1.123 applied
¹ 2008 figure, ² Veolia 2008 PF for merger with Transdev, ³ Transport and Logistics division

DB ML has recovered financially and expects strong growth in 2011 and 2012

DB ML forecasted financials (€mm)						Growth drivers
€mm	2009A	2010E	2011E	2012E	Long-term trend	
Revenue	31,473	34,888	36,394	37,638		<ul style="list-style-type: none"> ■ Export growth from Northern Europe ■ Industry experience and scale to win substantial market share, especially in the European public transportation sector post recent acquisition of Arriva ■ Growing momentum for intermodal operations driven by environmental concerns and globalisation ■ Emergence of Eastern European and Asian economies as engine of growth in global trade
% growth	(11.9%)	10.8%	4.3%	3.4%	3.0%	
DB Bahn	15,473	15,758	15,952	16,116		
DB Schenker	15,347	18,402	19,663	20,715		
DB Services	1,237	1,311	1,364	1,391		
EBITDA	2,960	3,404	3,829	4,153		
% margin	9.4%	9.8%	10.5%	11.0%	11.5%	
DB Bahn	2,386	2,330	2,484	2,587		
DB Schenker	478	969	1,214	1,429		
DB Services	297	307	332	339		
Net income	(77)	695	931	1,198		
% margin	(0.2%)	2.0%	2.6%	3.2%		
Total net debt¹	7,239	10,273	9,408	8,350		
Total equity	2,770	3,465	4,396	5,594		
Financial leverage ²	2.8x	3.1x	2.4x	1.9x		

Source: J.P. Morgan Research, Company information

Note: Divisional revenues do not add up to total revenues due to consolidation differences of internal revenues and 'other' not being taken into account;

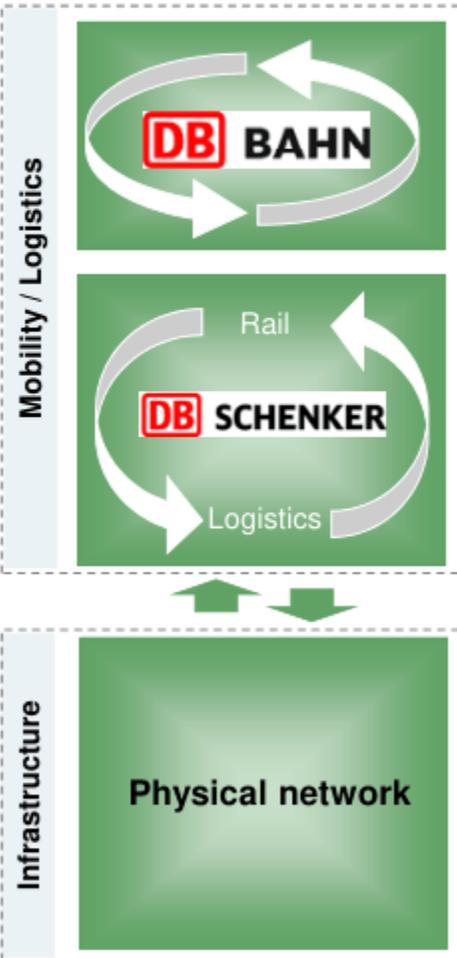
All financials are pro-forma for the acquisition of Arriva

¹ Net debt defined as total financial debt (short-term and long-term) minus Cash

² Financial leverage defined as total financial debt (short-term and long-term) over book value of equity

DB ML's strategy is very clear – increased integration on a regional and global basis

Integrated approach to each business



- DB Bahn's public transportation network is truly integrated, both intra-modal as well as across modes
 - Spanning 12 countries across Europe
 - Ranging from regional and long distance rail services, urban and inter-city bus operations to
 - Coaches, water buses, tram and car sharing

- The interrelation between DB Schenker's freight rail and logistics activities create a network unmatched in its
 - Capillarity
 - Density
 - Distance
 - Geographical footprint
 - Diversified offering

- Network and operational integration is a key driver of DB ML's competitive strength, providing unique synergies driven by:
 - Shared market insight
 - Competitive commercial initiatives
 - Best practices in network planning and operation, systems and procurement
- DB ML's integrated passenger and freight rail services allow for optimal infrastructure network usage and efficient infrastructure investment programmes

A strategic equity investment in DB ML could be a “win-win” proposition

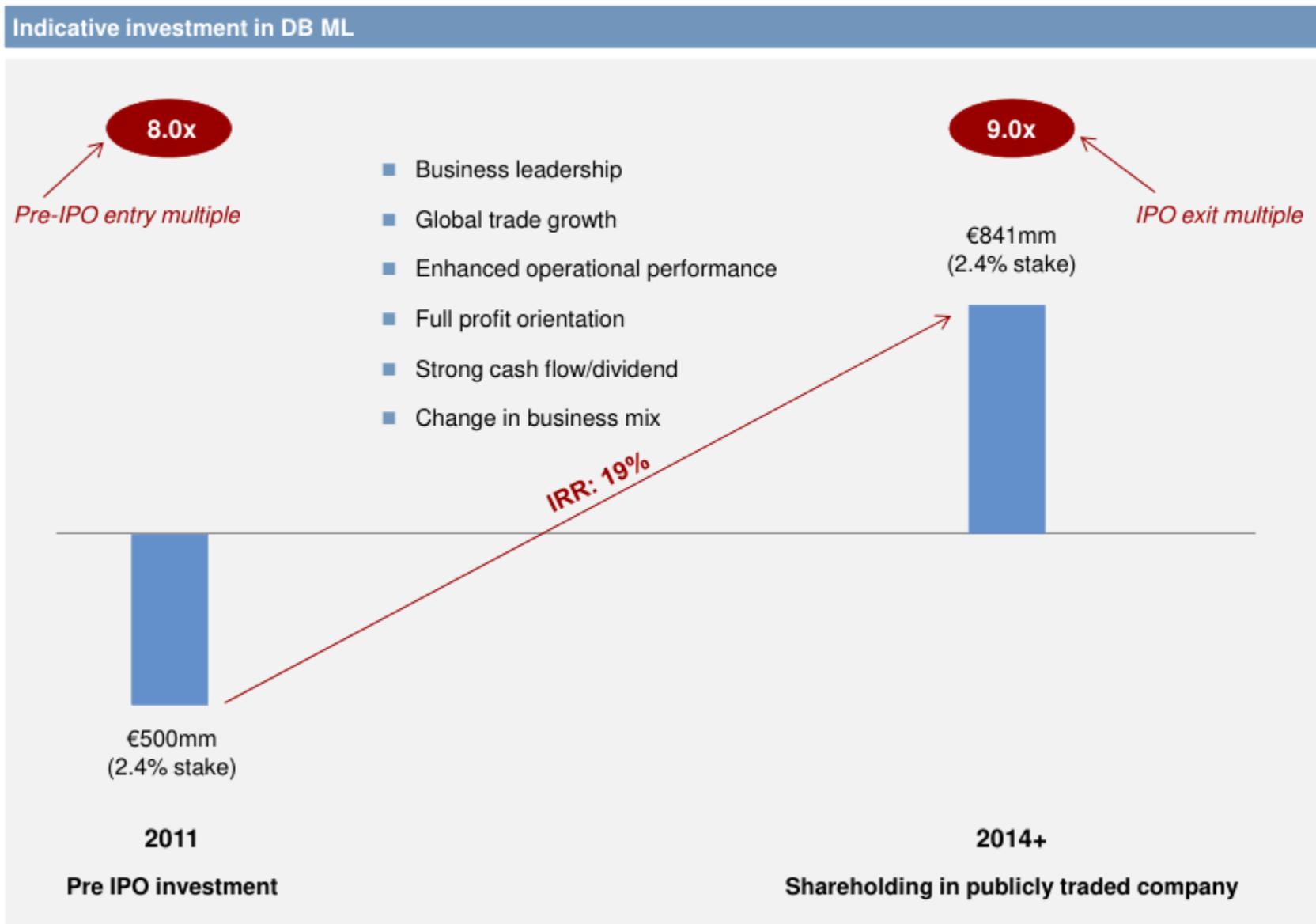
Rationale for an equity investment in DB ML

- Attractive opportunity to invest in the leading global mobility provider
 - Best-in-class operator and leading market presence in all segments
- Opportunity to participate in upside potential driven by global macro backdrop and positive outlook for transport
- Additional upside potential driven by outsourcing / tendering trends in European public transport and freight rail as well as a growing momentum in logistics outsourcing and global trade
- Potential to invest at attractive pre-IPO valuation

Rationale for Deutsche Bahn

- Early stage preparation for full privatisation in 2012/2013
- Tap expertise at board level to refine and optimize DB ML's operating and financial performance
- Leverage the partner's geographical reach and contacts to take advantage of strategic opportunities
- Additional capital would be deployed in attractive investment opportunities
 - Rail
 - Logistics
 - Passenger transport

A Deutsche Bahn investment should be financially attractive



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