

Ports and hinterland terminals

Local transport & hubs

Main leg of transport by rail

Local transport & hubs

Ports and hinterland terminals



Development of European hinterland traffics from the perspective of a leading player in the combined traffic

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Executive Vice President Network management

Frankfurt, den 27.06.2008

Growing world trade as consequence of globalization

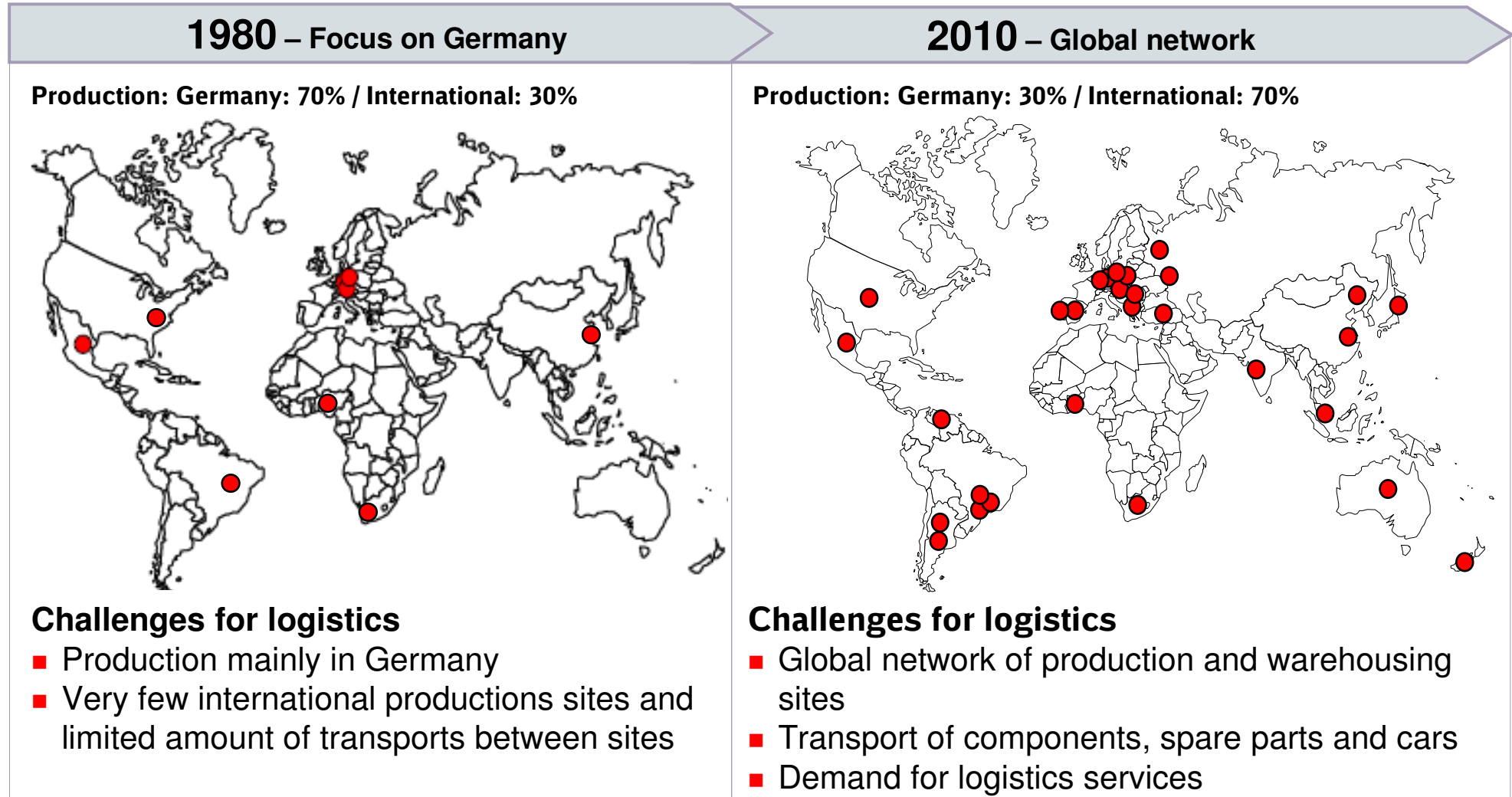
Intermodal – preparations for growth

Tackling the challenges together

Key findings

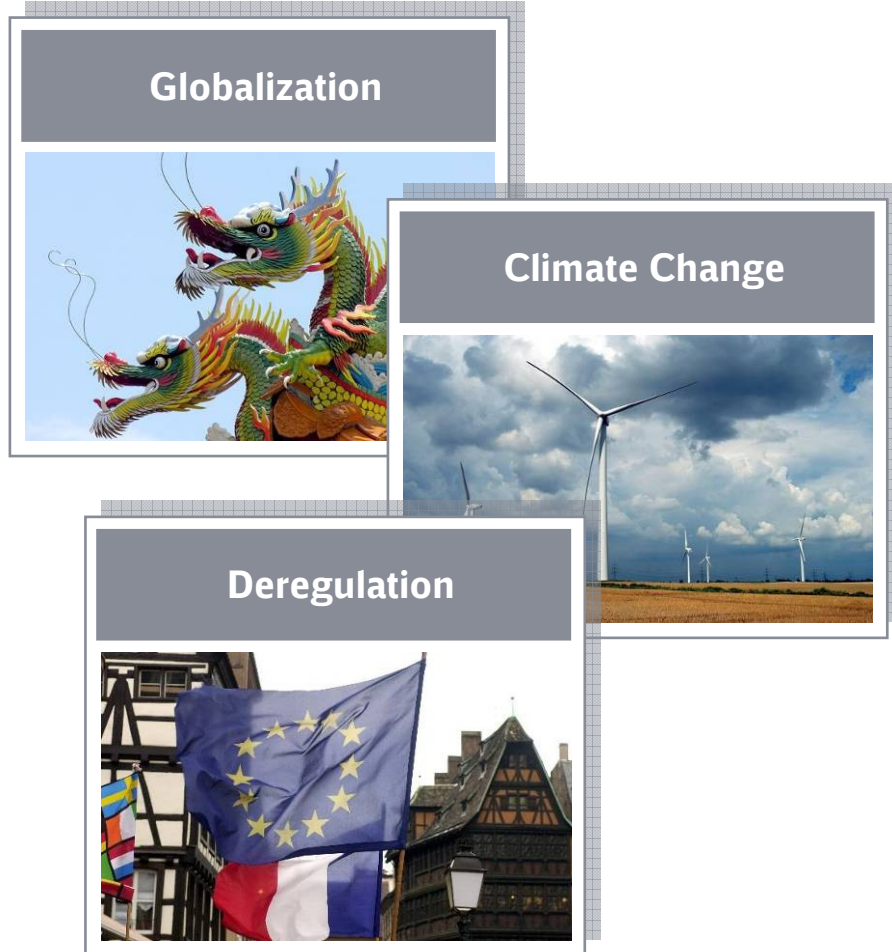
Logistics providers need to follow their customers – a global presence and the ability to organise intercontinental transports give a competitive edge

Beispiel: Produktionsstandorte eines Kunden in der Automobilindustrie



DB generates sustainable transport services and ensures that transport growth does not result in greater environmental impact

Megatrends in freight transport market



Excellent freight forwarding and logistics services...

... with a strong rail backbone

100,000

fewer truckloads daily on Europe's roads, and

21,000 tons of CO₂

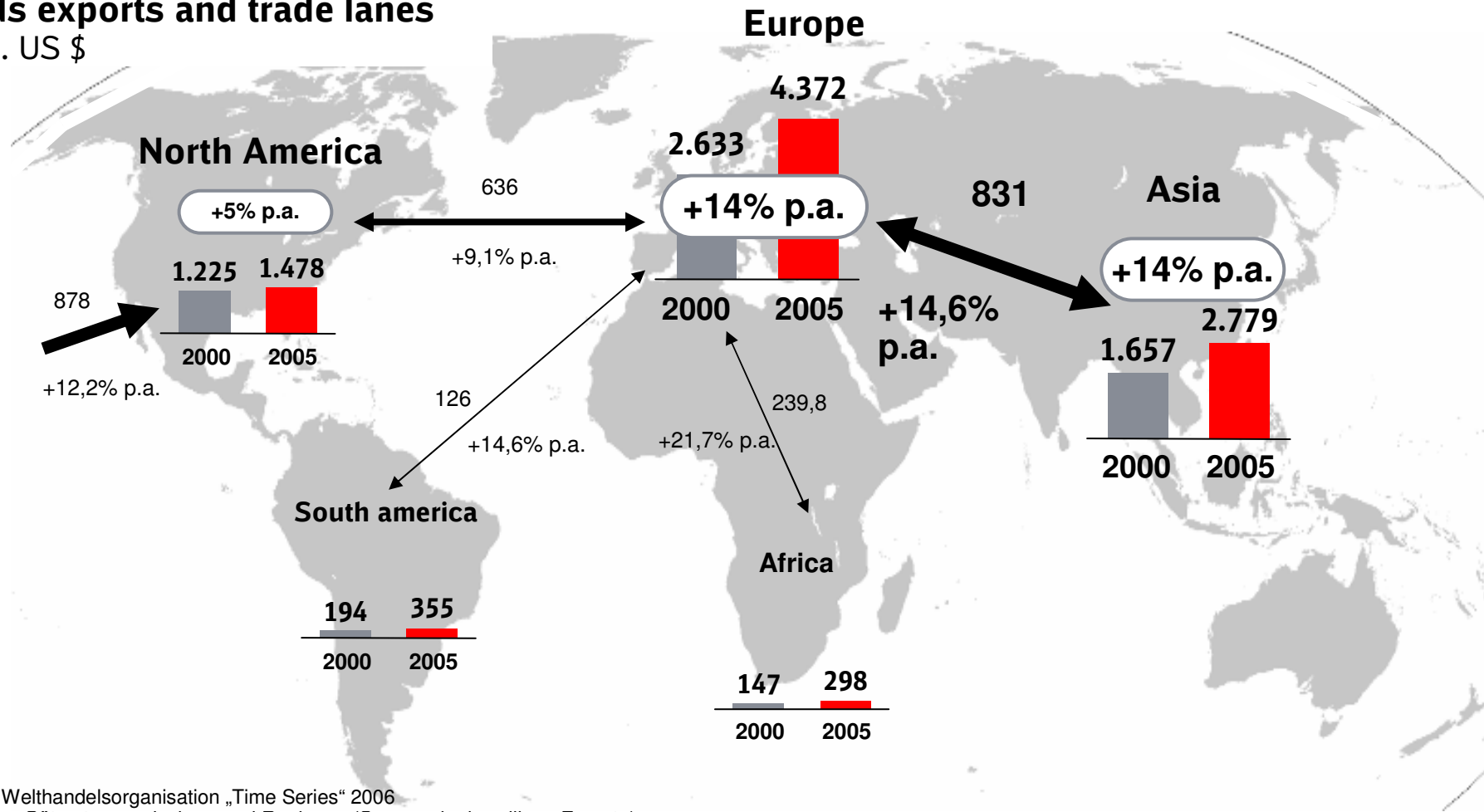
less each day as a result of DB AG rail freight services

33% reduction

in specific energy consumption from 1990 to 2006 on rail freight services

The international goods exports and transport flows show a very dynamic development

Goods exports and trade lanes in Mrd. US \$



Source: Welthandelsorganisation „Time Series“ 2006

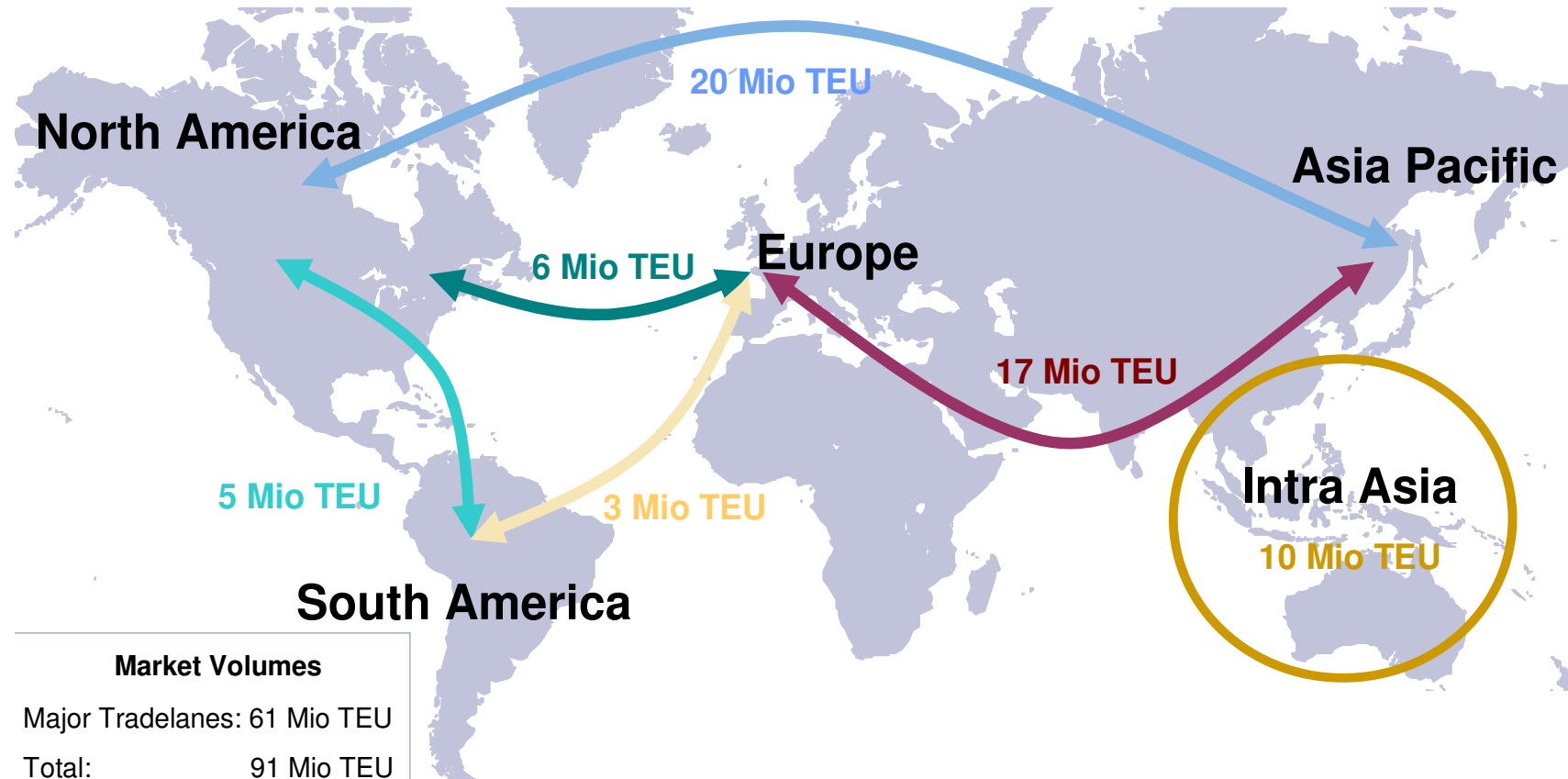
↔ - Güterstrom zwischen zwei Regionen (Summe der jeweiligen Exporte)

+5% p.a. - Jährliches Wachstum des Gütervolumens zwischen zwei Regionen

583 - Summe der jeweiligen Exporte zwischen zwei Regionen in 2004

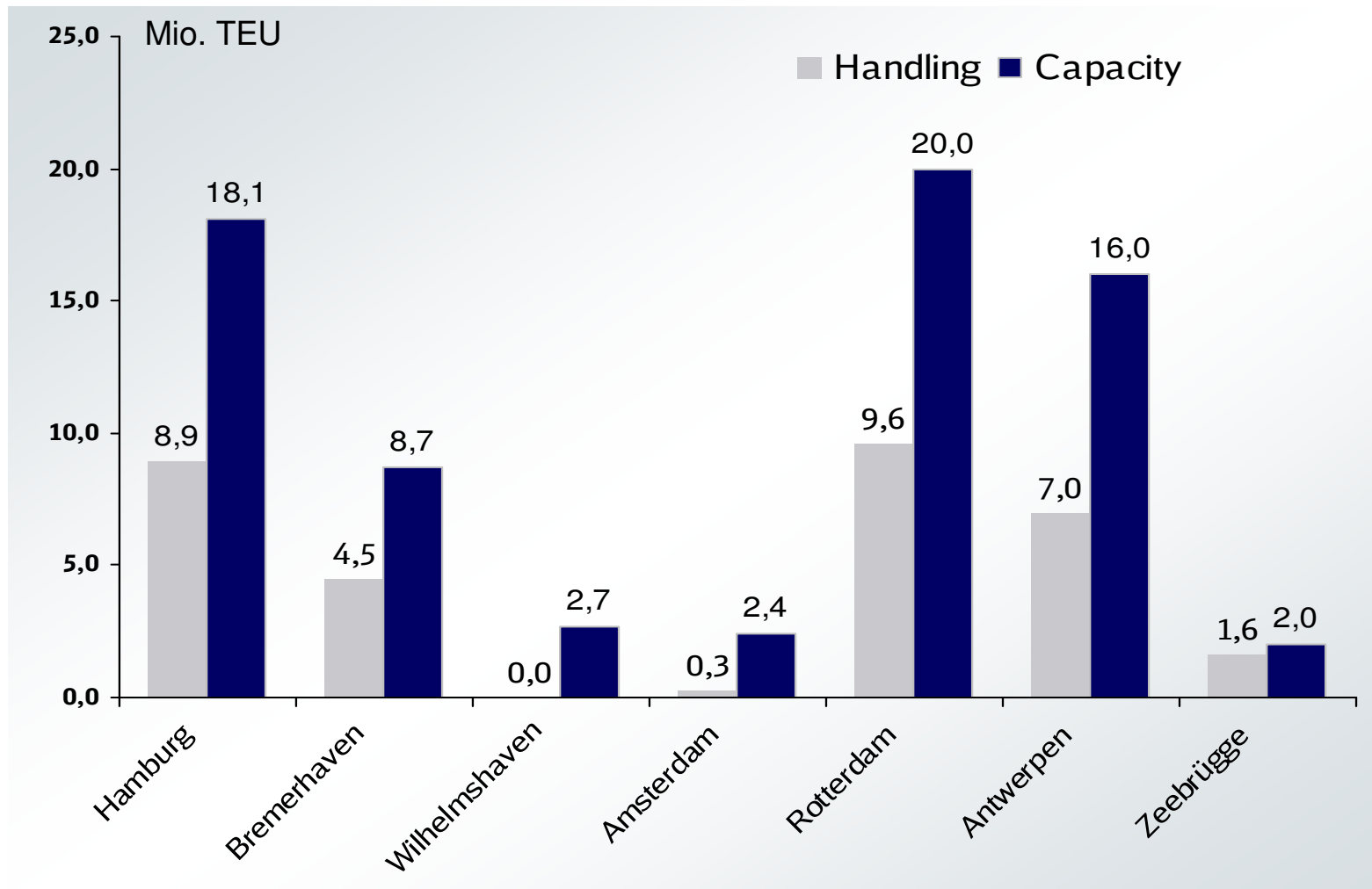
The share of containerized goods increases constantly

Container flows 2006 in TEU



Source: CI 2006/2007

All seaports in the Northern and Western range will strongly increase their capacities until 2015



Source: Uniconsult / Port Authorities / Masterpläne Deutsche Seehäfen

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The Logistics Division of Deutsche Bahn is successfully offering rail and non-rail products worldwide

Transportation & Logistics - 2007

External revenues (€ bn)	18 (+5.6%)	EBIT (€ mn)	670	Employees ('000)	88,2
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Rail Freight Transport

Integrated Logistics

Rail Freight



Intermodal



Land Transport



Air/Ocean Freight



Contract Logistics/SCM



External revenues (€ bn)	3.9 (+2%)
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EBIT (€ mn)	217
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Employees ('000)	28.9
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External revenues (€ bn)	14.0 (+5.9%)
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EBIT (€ mn)	453
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Employees ('000)	59.3
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Employee figures: average no. of full-time employees
Source: 2007 Annual Report

With more than 2100 national and international trains every week, Intermodal leads the field in European Combined Transport



Basic data for Intermodal, 2007

Key statistics for Intermodal:

- Sales revenue on own business responsibility: around 790 million €
- Trains per week: more than 2100
(corresponding to ca. 13,300 lorry-loads every day)
- Load units per year: around 3.1 million

Key competences of Intermodal

Together with its service partners, the Intermodal business unit offers a pan-European train network and numerous services in the field of Combined Transport.

Within its intermodal business DB Logistics has four core competencies besides traction

Terminal Ownership

- Planning and construction
- Define handling technology
- Design terminal IT systems

Terminal Operation

- Running terminal operation
- Defining terminal standards
- Controlling service and operational quality

Intermodal Core Competencies of DB

- Selling transport of single boxes incl. services
- Neutral platform
- Capacity management/ Carrying the utilization risk of trains
- Link between forwarders/ shipping lines and traction companies

Intermodal Transport Operator (ITO)/IMC

- Compensate the imbalance of trade flow
- Storage of empty boxes
- Other Services on boxes, incl. repair, cleaning etc.

Empty Container Depot Services

Providing capacities and high productivities is key to managing growth and securing Intermodal's future success



Capacities locos and wagons

- Increase of wagon fleet by more than 25% by the year 2012
- Growth in maritime wagons even higher at over 30%
- Dedicated locomotives for the Intermodal business unit

Development of terminal and depot infrastructure

- Europe wide development of terminals
- Container depots (empty & loaded)
- Expansion into new markets such as China

Highly productive systems - Industrialization

- Increasing number of block and shuttle trains
- Flattening of peaks (daily, weekly, seasonal)
- Change to 24/7 operation where possible

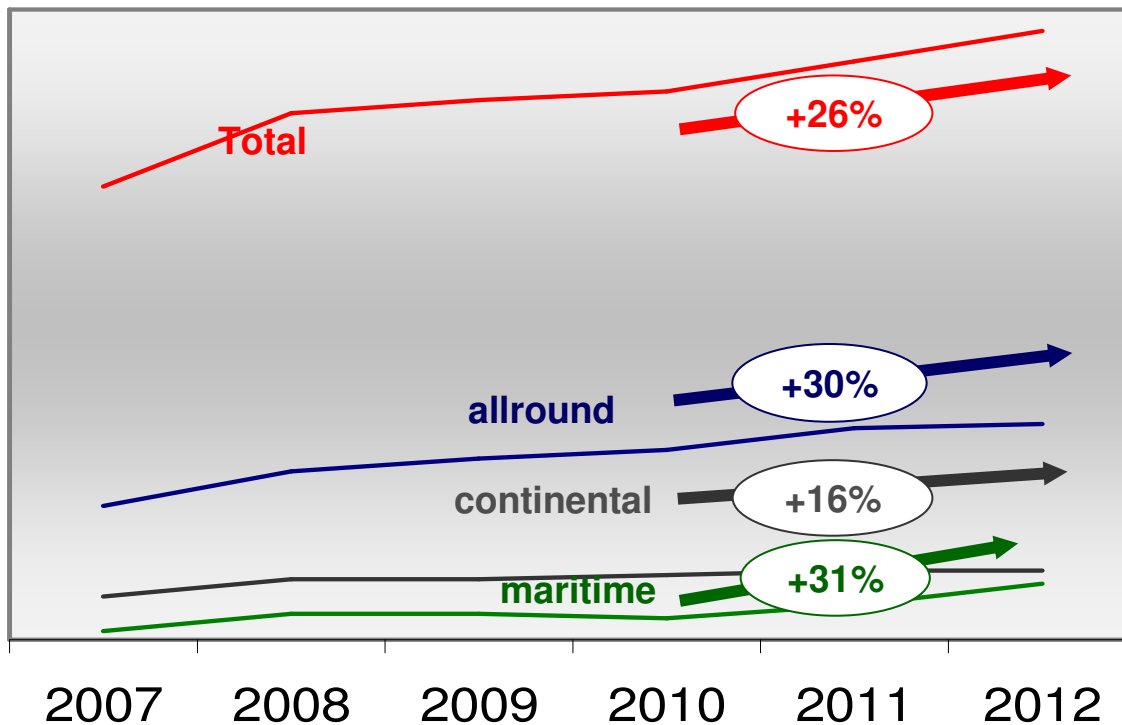
Development rail infrastructure

- Only indirect influence on measures for Intermodal
- Articulating specific demand towards infrastructure provider
- Securing the necessary slots

With its intensive investment programme DB Intermodal prepares for future growth

Capacities locos and wagons

Investment programme wagons until 2012 (auf Basis Wagenzahlen)

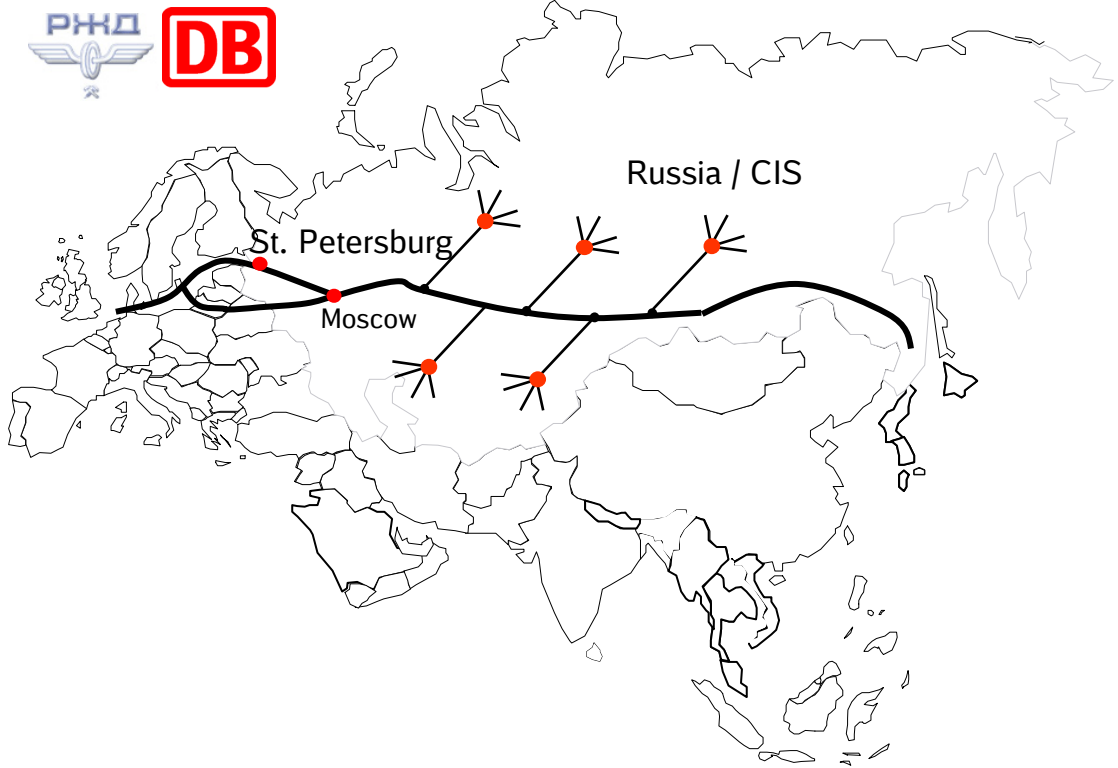


- Intermodal has aligned its investment planning with the high future growth rates.
- The hinterland traffic will double by 2015.
- Maritime wagons will be increased accordingly
- The investments for locos will focus on multi-tension machines apt for cross-border use in Europe

Source: DB AG

The Trans-Eurasia Logistics Joint Venture organises and sells container transport on the east-west route

Trans-Eurasia Logistics – a JV of RZD and DB



- **Organisation and sale of dedicated transport services** between **Europe and Russia** as well as other CIS countries
- Priority cooperation with **freight forwarders** and possibly big **shippers**
- Joint Venture acts as **agent** on a commission basis
- Max. use of the **existing resources** of the founder companies
- Taking into account the **special market structures** and the **different requirements** for logistics services between Russia and Europe

● Establishment of possible terminals, including transshipment and depot/repair business for containers

In order to ensure availability of facilities in the relevant markets, Intermodal is adapting its terminal strategy

Development of terminal and depot infrastructure



- DB via participations with ca. 40 locations well positioned in Germany
- Existing and planned expansions are in the process of being realized
- Examples: expansion projects in Duisburg, Cologne, Munich

- DB via participations with ca. 20 locations in Europe
- Long-term secure access to terminals especially in bottleneck areas
- Country-specific measures are being undertaken

- 18 terminals planned
- Participation in the fast growing Chinese market for container rail freight
- Establishment of the successful European model for hinterland transport to the Asian seaports

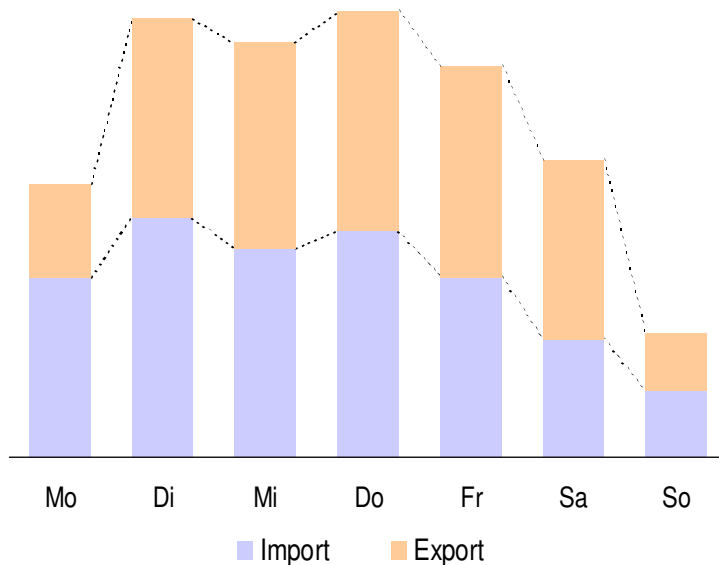
An industrialization of the systems – 24 h / 7 days – requires continuous measures along the chain up to the consignor / consignee

Highly productive systems - industrialization

Example of a port terminal

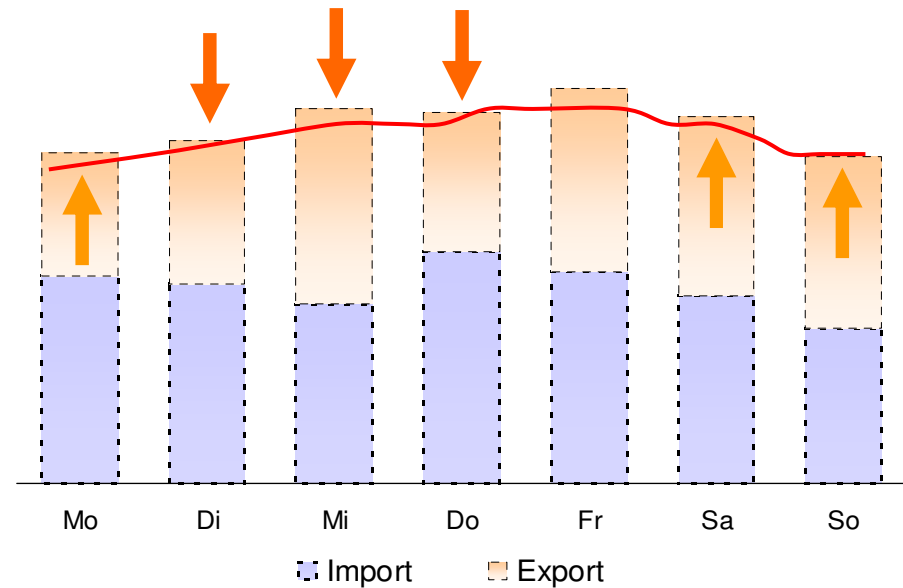
Status quo of trains

- Perceivable peaks on Tue – Wed – Thu
- Volumes strongly drop away towards weekends



Smoothing by extension of service hours

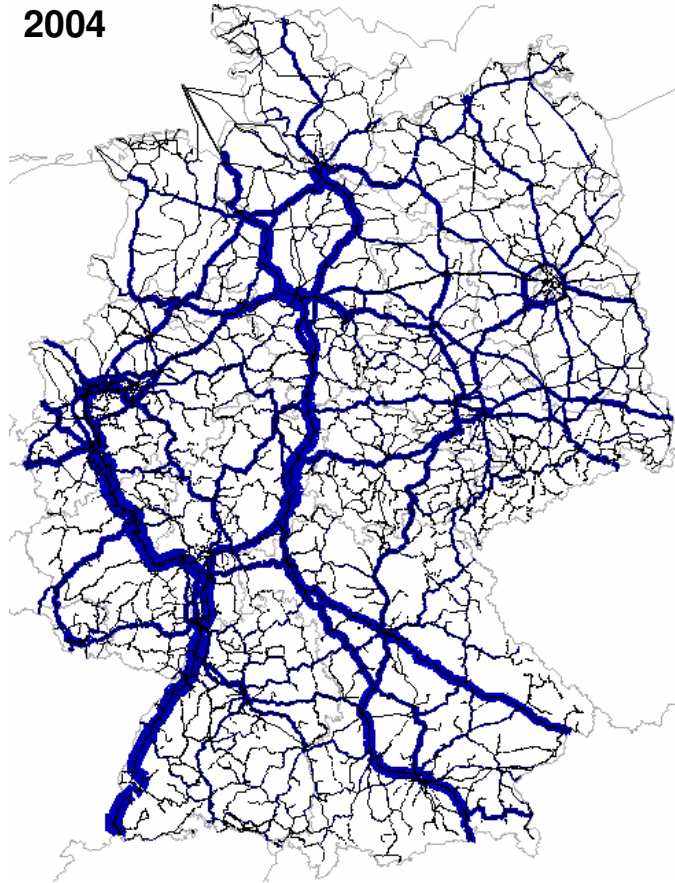
- Pickup and delivery of containers in the hinterland after 16:00 h on weekdays as well as weekends



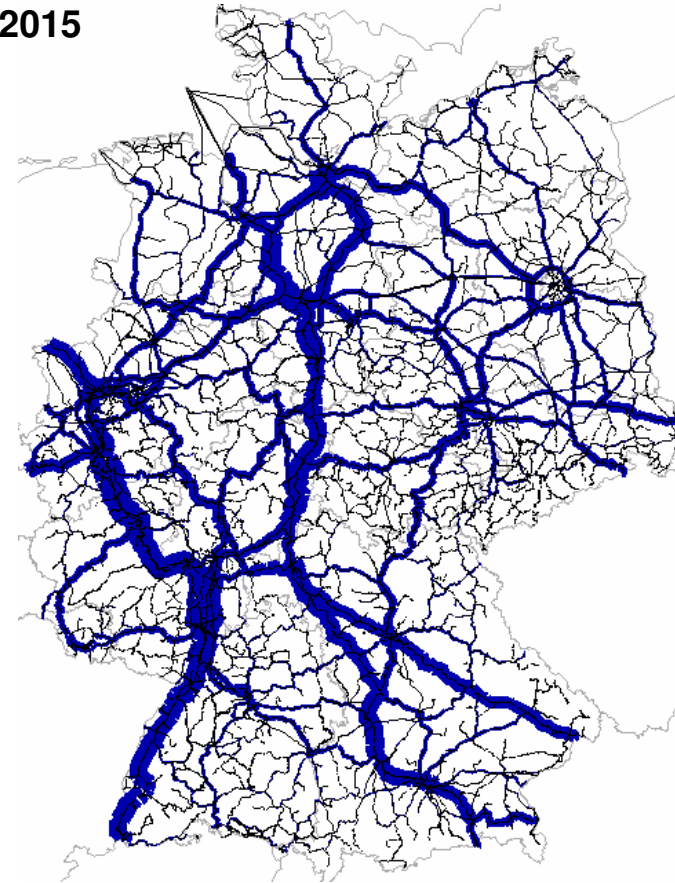
The expected growth by 2015 will mainly occur on the main corridors

Development rail infrastructure

2004



2015



Source: DB

DB Intermodal offers rail transport all over Europe and to South East Europe in particular

Deutschland	RAILION DB Logistics
Österreich	Rail Cargo Austria <small>Ein Unternehmen der DB</small>
Ungarn	GYSEV Közlekedésközvetítő Zrt. <small>Közlekedésközvetítő Zrt.</small>
Slowenien	Slovenske železnice
Serbien	JJR

Rumänien	CFR MARFA
Bulgarien	BG
Mazedonien	KT
Griechenland	OSE
Türkei	T.C. Demiryolları

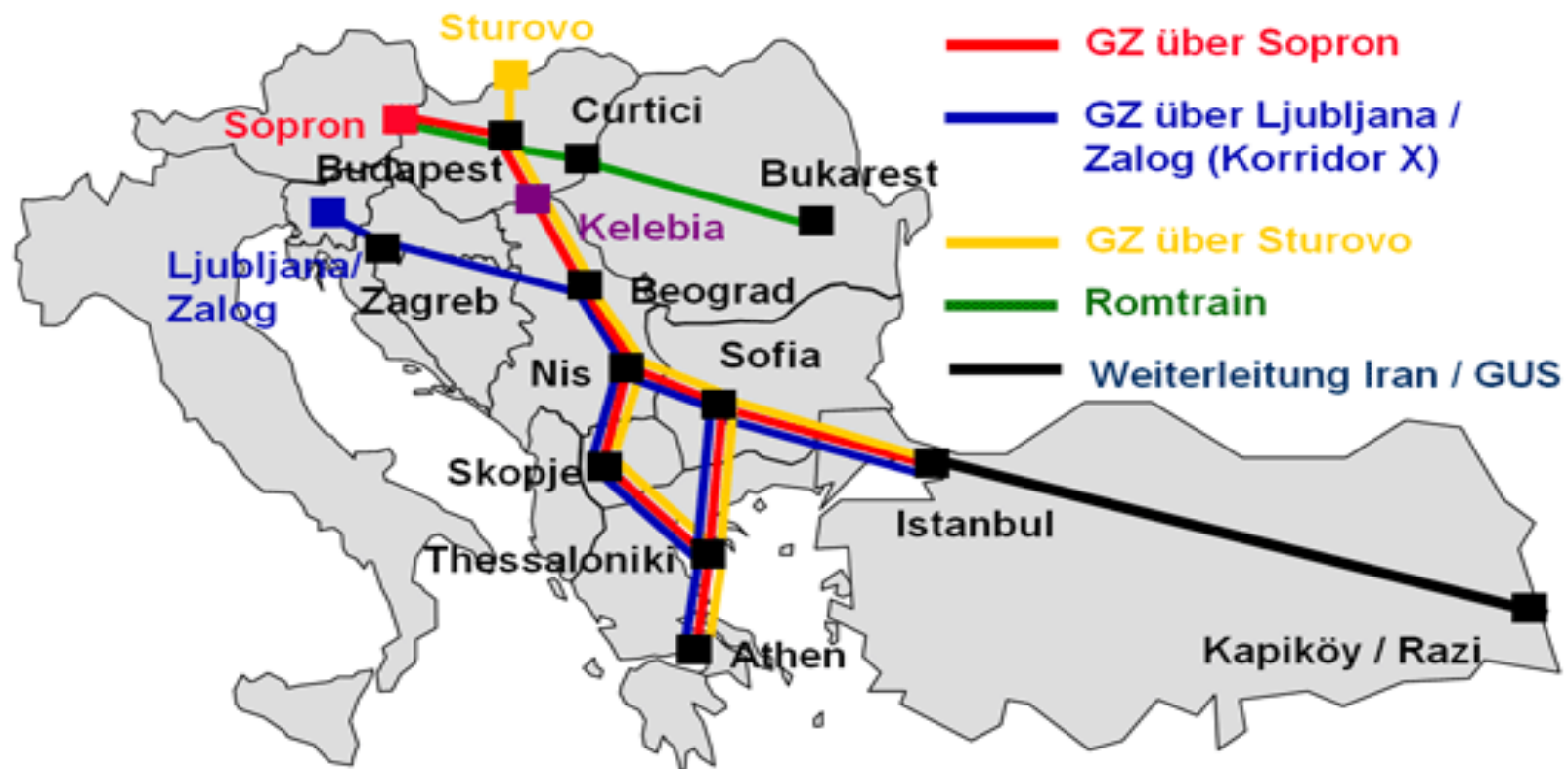
Partners in railway business

The Operators, which can offer every service the customer want



Together with our customers and partners we are developing concepts and logistics solutions

Schenker Raillog - a 100% subsidiary of Stinnes AG - offers its customers various connections to South-East-Europe



Growing world trade as consequence of globalization

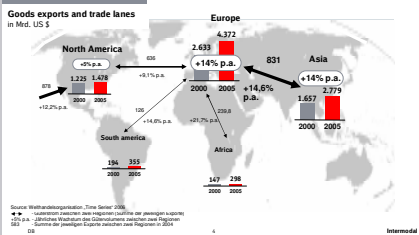
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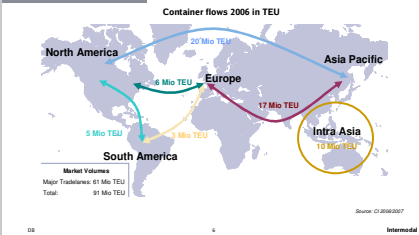
Key findings

To cope with increasing transport demand to/from the hinterland DB Intermodal has specific concepts and initiatives

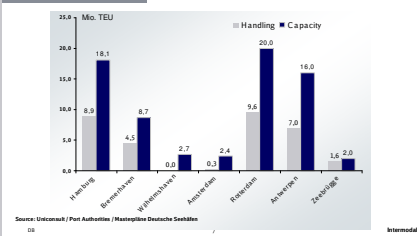
The international goods exports and transport flows show a very dynamic development



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Selection of hinterland measures

1 Hubs and Turntables

2 Port Conferences

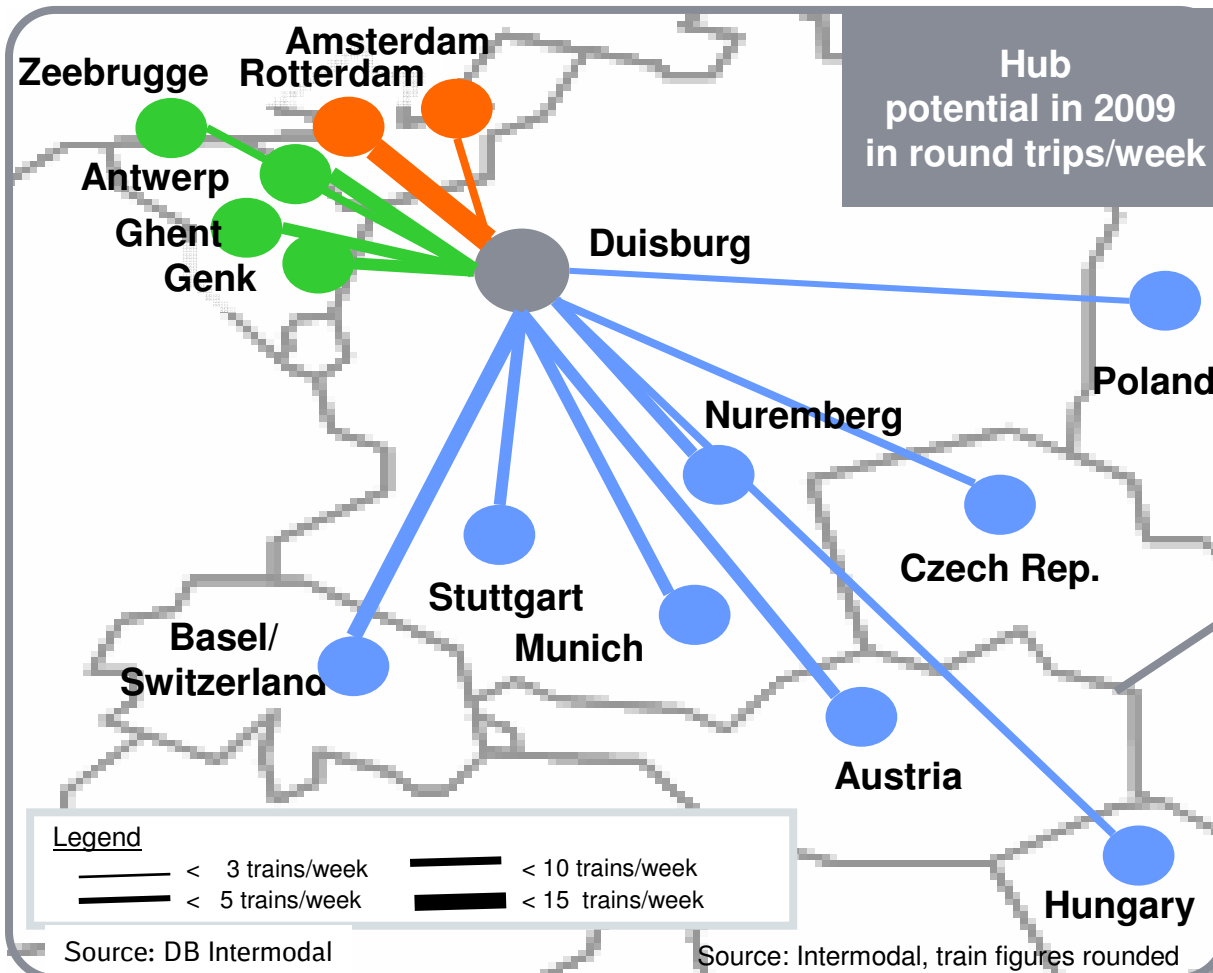
3 Improved Dataflow

4 Extended Gate

The introduction of hubs in the hinterland are an effective method to connect seaports and to bundle continental and maritime volumes

Hubs & Turntables

Hub potential in 2009 in round trips/week, incl. regional volume for a hub located in Duisburg

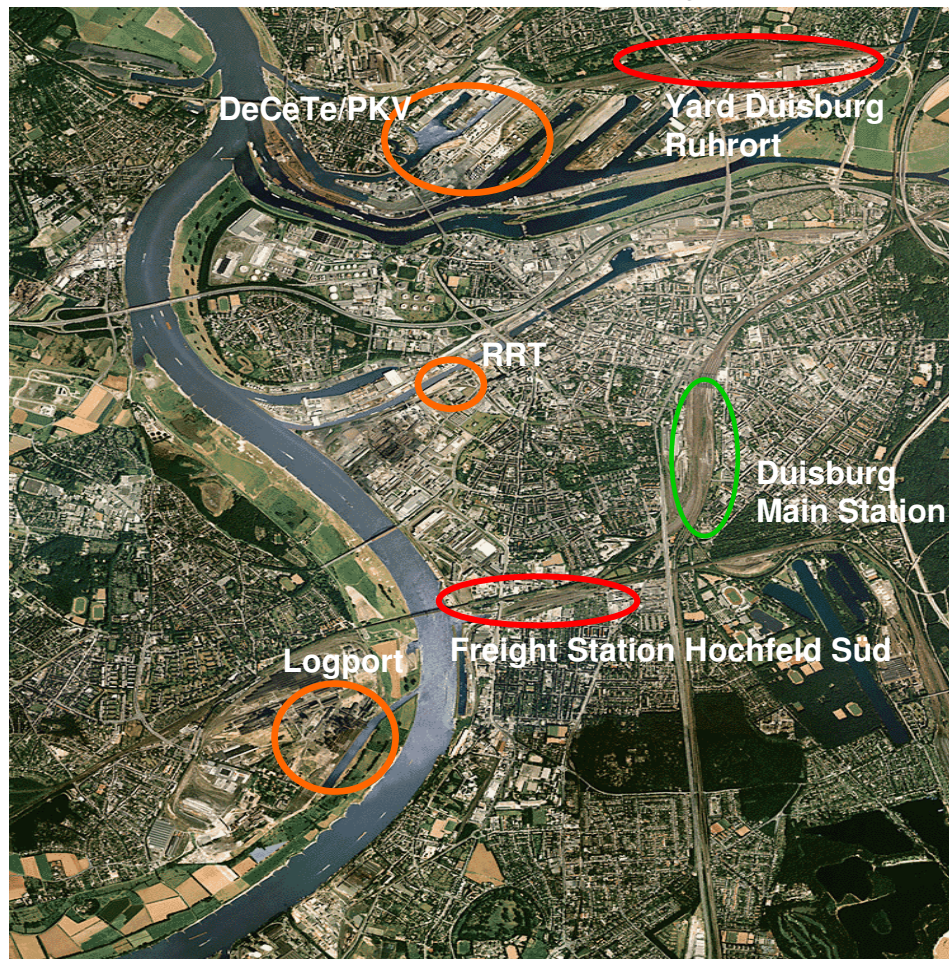


- Benefit to seaport terminals: “mixed” loads on feeders for hub trains
- The hub improves services to minor ports and regions close to the port area, plus Intermodal presence in the ports
- The hub’s bundling feature of maritime and continental volumes is new to the market
- New range of services now available to shipping companies that demand alternative products

Several measures are necessary to develop the logistics site Duisburg as a central hub for the Western ports

Hubs & Turntables

Overview of main terminals and railway stations at



- | Measures |
|--|
| <ul style="list-style-type: none"> Utilization and development of available terminal capacities and rail links (transfer traffic) between main economic regions Consolidation of maritime and continental shipments Expansion of destinations via hub concept |

Necessary infrastructure expansion

- Planned enlargement handling capacity of PKV-terminal from approx. **170.000 to 250.000 load units by the end of 2008**
- Hub development via new building of gateway terminal with a planned handling capacity of **120.000 load units p.a. by 2012**

In order to tackle the difficulties of hinterland connections in the best possible way, the Port Conferences were introduced

Port Conferences

Seaport to hinterland transport – the starting situation

- Insufficient planning of container shipments by rail
- High quota of rebooked containers
- Train capacity could be utilised better
- Unnecessary handling operations
- Unreliable planning of deliveries at the receiving end

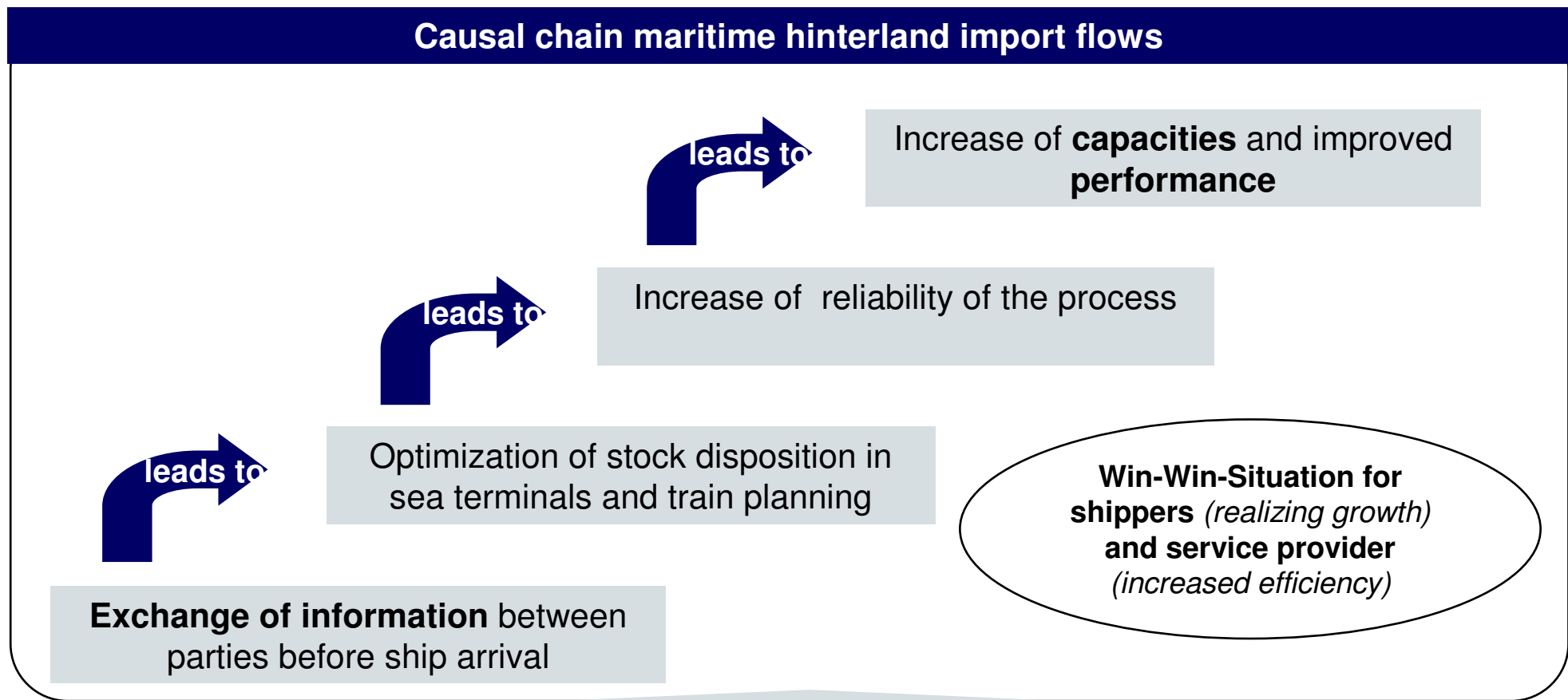


Port Conferences

- Intensive dialogue with top decision-makers in the port community
- Neutral platform for constructive dialogue
- Initiate cooperation between all players along the entire transport chain
- Presentation of Best Practice examples
- Get a joint understanding of the challenges ahead

Early exchange of information leads to increase of capacities and improved performance

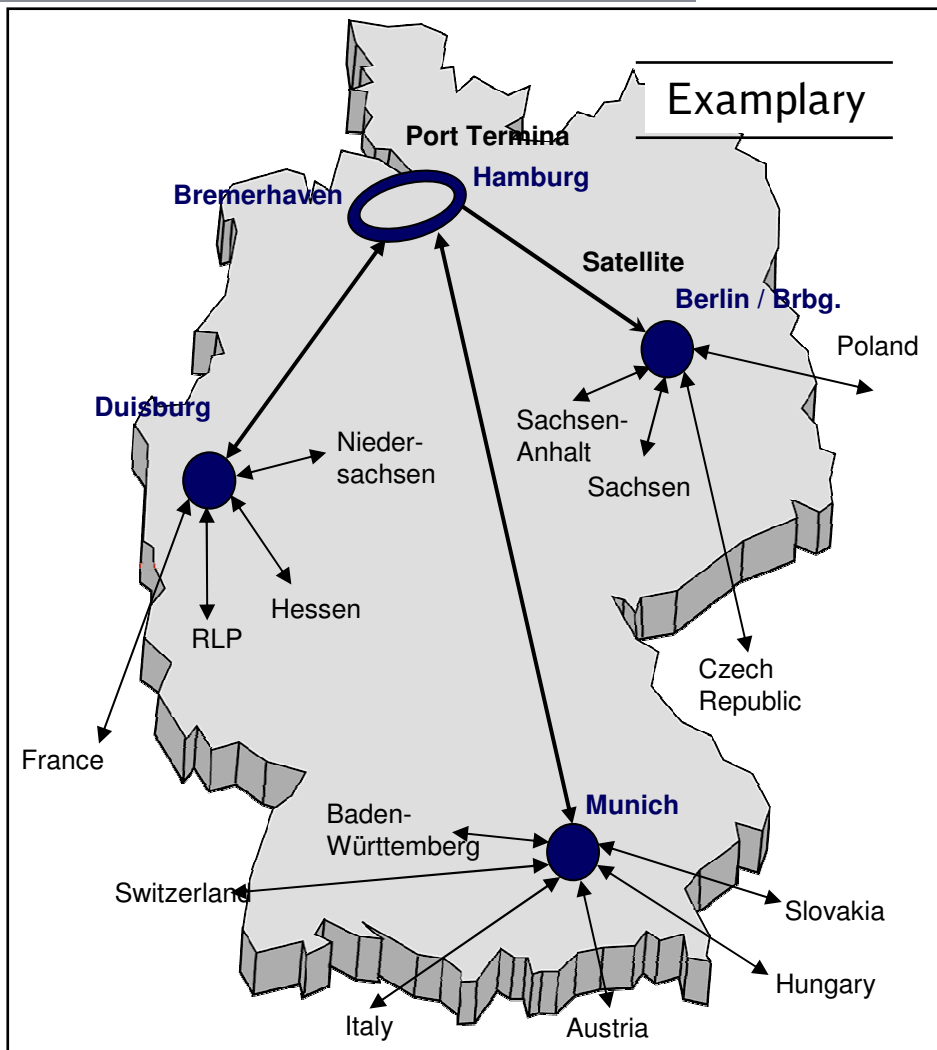
Improved Dataflow



Main precondition: Booking of transports at the earliest possible point on the shippers level

The Extended Gate Model sets up satellite terminals in the hinterland and speeds up the port processes

Extended Gate



Extended Gate Modell functions:

- Setting up dedicated terminals for ports in the hinterland („satellite terminals“)
- Import: Immediate loading of containers onto specific shuttle trains to the satellites
- Export: Formation of specific block trains to docks or even ships
- Further processing of containers in the satellites:
 - Storage
 - Customs (Import / Export)
 - Pre carriage and on carriage by train and truck

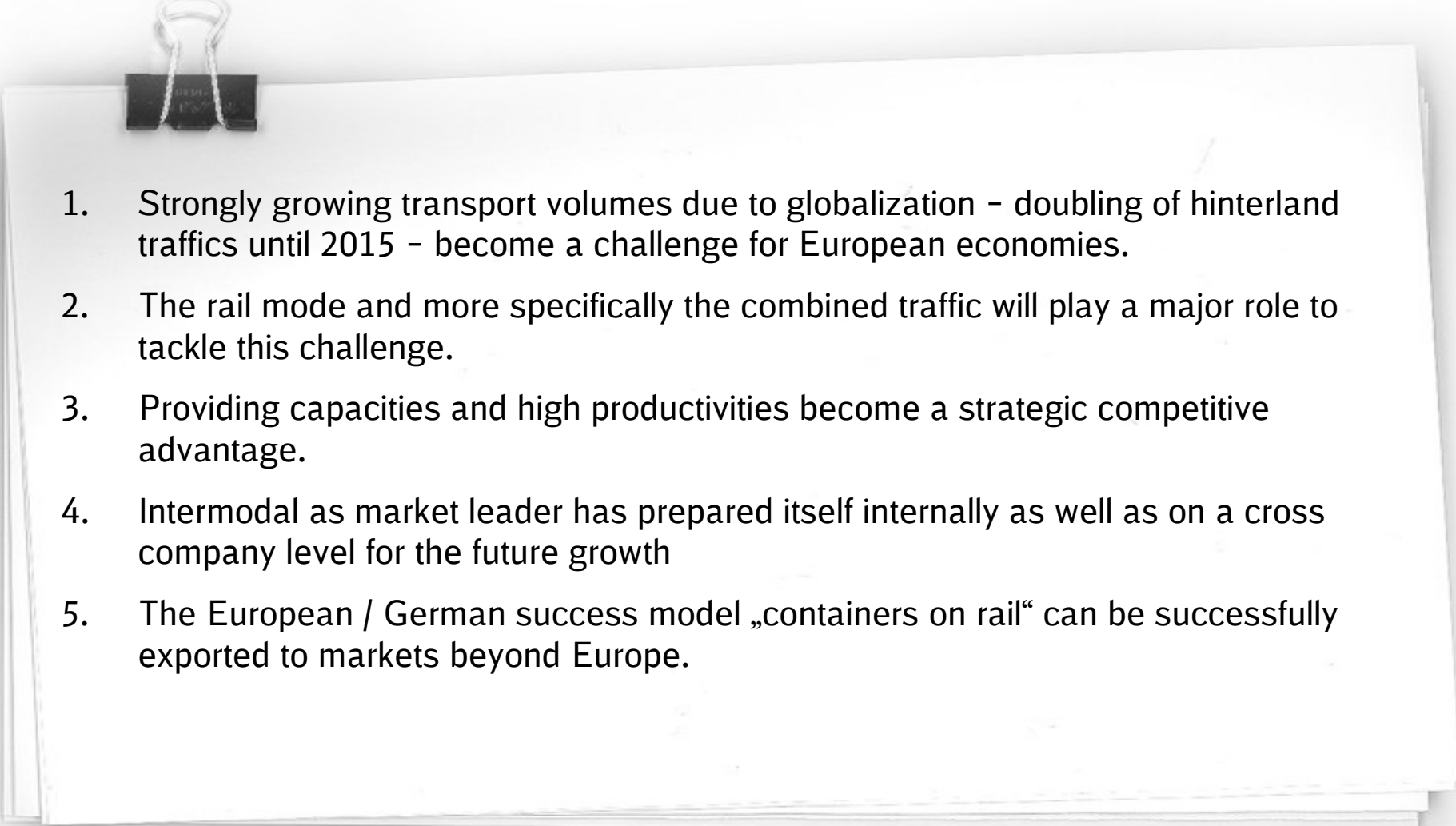
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Key findings

Key findings

- 
1. Strongly growing transport volumes due to globalization - doubling of hinterland traffics until 2015 - become a challenge for European economies.
 2. The rail mode and more specifically the combined traffic will play a major role to tackle this challenge.
 3. Providing capacities and high productivities become a strategic competitive advantage.
 4. Intermodal as market leader has prepared itself internally as well as on a cross company level for the future growth
 5. The European / German success model „containers on rail“ can be successfully exported to markets beyond Europe.



Thank you very much for your attention!