

**Unaudited financial report**  
**for the six-month period ended**  
**30 June 2013**  
**Deutsche Bahn Finance B.V.**  
**Amsterdam**

## Table of contents

Interim report of the directors	1
Balance sheet as at 30 June 2013	3
Profit and loss account as at 30 June 2013	5
Cash flow statement as at 30 June 2013	6
Notes to the balance sheet and profit and loss account	7
Other information	15

# Deutsche Bahn Finance B.V. Amsterdam

## Interim report of the directors

### General

We have pleasure in presenting the Interim Report of Deutsche Bahn Finance B.V. (hereafter the Company) for the period ended 30 June 2013.

### Activities and group structure

The Company was incorporated in Amsterdam on 16 September 1994. The Company is a wholly owned subsidiary of Deutsche Bahn AG, Germany. The Company is incorporated in the Netherlands with its statutory seat in Amsterdam and acts as a finance company for the Deutsche Bahn Group. Funding of these activities is done through the issue of bearer bonds on different stock exchanges in Europe. As per 30 June 2013 bonds outstanding was in thousands of EUR 14,442,127 (31 December 2012: in thousands of EUR 14,100,575). The annual accounts are prepared in thousands of EUR. The office address of the Company is De Entree 99 - 197, 1101 HE, Amsterdam Zuidoost in the Netherlands.

During the reporting period the Company issued the following:

As per 7 February 2013 the Company issued Floating Rate EUR 300 million Notes due 7 February 2018 and 2.657% EUR 50 million Notes due 7 February 2028. As per 19 March 2013 the Company issued 3.985% NOK 1,500 million Notes due 19 March 2025.

The proceeds of these issues have been on lent to Deutsche Bahn AG, Berlin at a consideration between 0.797% and 4.085%.

### Result for the period

The profit for the period 1 January 2013 to 30 June 2013 after taxation amounts to thousands of EUR 4,008 (same period 2012: thousands of EUR 3,748).

### Risk & risk management

We refer to paragraph 1.16 for the principal risks that the company is facing. Risk management of the Company is based on the policy that the interest and currency risks are hedged via back to back on lending within the group, given the fact that repayment conditions on granted loans to intercompany parties are identical with the conditions on the bonds issued.

### Events after balance sheet date

As per 24 July 2013 the Company issued 1.375% CHF 275 million Notes due 24 July 2023 and 3.125% GBP 300 million Notes due 24 July 2026.

### Future developments

The Company will continue its operations as a group finance company for the foreseeable future. No significant changes are expected in respect of financial income, solvency or liquidity. There are no significant deviations from previous expectations or uncertainties.

Deutsche Bahn Finance B.V.  
Amsterdam

**Responsibility Statement**

"The Managing Directors of the Company hereby declare that to the best of their knowledge and in accordance with the applicable reporting principles for the financial reporting, the financial statements for the period ending 30 June 2013 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and that the Director's report referred to above gives a true and fair view concerning the position as per the balance sheet date, the development and performance of the business during the financial period of 1 January 2013 to 30 June 2013 of the Company together with a description of the principal risks that it faces."

Amsterdam, 1 August 2013

The Directors,

---

W. Reuter

---

Deutsche International Trust Company N.V.

Deutsche Bahn Finance B.V.  
Amsterdam

**Balance sheet as at 30 June 2013**

(before proposed appropriation of result)

(In EUR'000)	Notes	<u>30-Jun-13</u>	<u>31-Dec-12</u>	<u>30-Jun-12</u>
<b>Assets</b>				
<b>Non-current assets</b>				
Financial assets:	2.1			
- loans receivable from group companies		13,617,615	13,339,458	13,394,823
- inter-company Deutsche Bahn AG		<u>36,690</u>	<u>48,254</u>	<u>41,915</u>
		<u>13,654,305</u>	<u>13,387,712</u>	<u>13,436,738</u>
<b>Current assets</b>				
Interest receivable on inter-company loans		267,934	255,111	283,701
Inter-company loans receivable	2.1	812,964	749,329	639,636
Prepaid Corporate Income Tax		356	-	762
Cash at banks	2.2	<u>54</u>	<u>16</u>	<u>37</u>
		<u>1,081,308</u>	<u>1,004,456</u>	<u>924,136</u>
		<u><u>14,735,613</u></u>	<u><u>14,392,168</u></u>	<u><u>14,360,874</u></u>

Deutsche Bahn Finance B.V.  
Amsterdam

**Balance sheet as at 30 June 2013**

(before proposed appropriation of result)

(In EUR'000)	Notes	<u>30-Jun-13</u>	<u>31-Dec-12</u>	<u>30-Jun-12</u>
<b>Liabilities</b>				
<b>Shareholders' equity</b>				
Issued and paid-in share capital	2.3	100	100	100
Retained earnings	2.4	25,009	32,462	32,462
Profit for the year		<u>4,008</u>	<u>7,547</u>	<u>3,748</u>
		29,117	40,109	36,310
<b>Non-current liabilities</b>				
Long-term bonds	2.5	<u>13,629,145</u>	<u>13,351,245</u>	<u>13,405,717</u>
		13,629,145	13,351,245	13,405,717
<b>Current liabilities</b>				
Interest payable on bonds	2.6	256,897	244,080	274,028
Short-term bonds	2.5	812,982	749,331	637,863
Inter-company payable Deutsche Bahn AG		6,983	6,408	6,479
Expired Bonds and coupons not yet collected		433	437	440
Corporate Income Tax payable		-	509	-
Accrued expenses		<u>56</u>	<u>49</u>	<u>37</u>
		<u>1,077,351</u>	<u>1,000,814</u>	<u>918,847</u>
		<u><u>14,735,613</u></u>	<u><u>14,392,168</u></u>	<u><u>14,360,874</u></u>

Deutsche Bahn Finance B.V.  
Amsterdam

**Profit and loss account as at 30 June 2013**

(In EUR'000)	Notes	1-Jan-13 to 30-Jun-13	1-Jan-12 to 31-Dec-12	1-Jan-12 to 30-Jun-12
<b>Financial income</b>	3.2			
Interest on inter-company loans		261,451	518,836	258,169
Release of discount on loans receivable		6,220	11,623	5,606
Other interest		24	53	49
Exchange difference		598	319	73
		<u>268,293</u>	<u>530,831</u>	<u>263,897</u>
<b>Financial expense</b>	3.2			
Interest expense		249,977	496,259	246,861
Amortisation/discount on bonds issued		5,353	10,135	4,956
		<u>255,330</u>	<u>506,394</u>	<u>251,817</u>
<b>Net financial income</b>		12,963	24,437	12,080
<b>Other expenses</b>				
Guarantee fee		7,151	13,591	6,632
Bond-issue costs		398	484	318
General and administrative expenses		84	308	146
		<u>7,633</u>	<u>14,383</u>	<u>7,096</u>
<b>Net result before taxation</b>		5,330	10,054	4,984
Taxation on result from ordinary operations	3.3	1,322	2,507	1,236
<b>Net result after taxation</b>		<u><u>4,008</u></u>	<u><u>7,547</u></u>	<u><u>3,748</u></u>

Deutsche Bahn Finance B.V.  
Amsterdam

**Cash flow statement as at 30 June 2013**

(In EUR'000)	Notes	1-Jan-13 to 30-Jun-13	1-Jan-12 to 31-Dec-12
Result before taxes		5,330	10,054
Adjustements for:			
Release of discount on loans receivable		(6,220)	(11,623)
Amortisation/discount on bonds issued		5,353	10,135
		(867)	(1,488)
<b>Changes in working capital:</b>			
Mutation interest receivable	3.2	(12,823)	(14,492)
Mutation interest payable	3.2	12,817	12,322
Mutation expenses payable		7	(43)
		1	(2,213)
<b>Cash flow from operating activities</b>			
Income tax paid	3.3	(2,172)	(2,078)
		(2,172)	(2,078)
<b>Net cash from operating activities</b>		(3,038)	(5,779)
<b>Cash flows from investment activities</b>			
Issuance of long-term loans	2.1	(537,264)	(2,217,415)
Repayment of long-term loans	2.1	-	637,810
Inter-company Deutsche Bahn AG		12,139	(11,623)
<b>Net cash from investment activities</b>		(525,125)	(1,591,228)
<b>Cash flows from financing activities</b>			
Issuance of long term bonds	2.5	538,469	2,223,096
Repayment of long term bonds	2.5	-	(636,155)
Dividend paid	2.4	(15,000)	-
<b>Net cash from financing activities</b>		523,469	1,586,941
Exchange differences		(598)	(319)
<b>Net cash flows</b>		38	(331)
<b>Cash and cash equivalents</b>	2.2	1-Jan-13 to 30-Jun-13	1-Jan-12 to 31-Dec-12
Balance as at 1 January		16	347
Movement for the year		38	(331)
Balance as at 31 December		54	16



# Deutsche Bahn Finance B.V.

## Amsterdam

### Notes to the balance sheet and profit and loss account

#### 1 Accounting principles

##### 1.1 *Activities and group structure*

The Company was incorporated in Amsterdam on 16 September 1994. The Company is a wholly owned subsidiary of Deutsche Bahn AG, Germany. The Company is incorporated in the Netherlands with its statutory seat in Amsterdam and acts as a finance company for the Deutsche Bahn Group. Funding of these activities is done mainly through the issue of bearer bonds on different stock exchanges in Europe. As per 30 June 2013, the total book value of the bonds outstanding was in thousands of EUR 14,442,127 (31 December 2012: in thousands of EUR 14,100,575).

The Company is party to a EUR 2,000,000,000 multi-currency commercial paper programme, arranged by Deutsche Bahn AG in October 1994, re-denominated into EUR (previously DEM) in January 1999 and increased from EUR 1,000,000,000 to EUR 2,000,000,000 in December 2003, under which the Company can issue notes, together with Deutsche Bahn AG.

The Company is party to a EUR 20,000,000,000 debt issuance programme, arranged by Deutsche Bahn AG in May 2001. The programme was increased from EUR 5,000,000,000 to EUR 10,000,000,000 in August 2003, to EUR 15,000,000,000 in July 2009 and finally to EUR 20,000,000,000 in June 2012. This instrument enables the Company to issue bonds with different currencies and maturity dates.

The proceeds were used to finance Deutsche Bahn AG in Berlin or other companies of Deutsche Bahn Group.

The programme has been updated as per 25 June 2013.

##### 1.2 **General**

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the DASs for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes.

# Deutsche Bahn Finance B.V.

## Amsterdam

### **1.3 Foreign exchange**

Balance sheet items relating to assets and liabilities denominated in currencies other than EUR are translated at the rate of exchange prevailing on balance sheet date. The resulting exchange rate differences are credited or charged to the profit and loss account.

The Company manages its exchange exposure by means of back to back funding of the initiated loans in the respective currencies. Therefore, the Company has no currency exposure on the nominal loan amounts in foreign currencies. Exchange results arise from settlement and translation and are charged or credited to the profit and loss account.

The company's functional currency is EURO.

Cash flows in foreign currencies in the cash flow statement have been translated at exchange rates prevailing at the date the transaction took place.

### **1.4 Related parties**

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the company are considered a related party. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

### **1.5 Financial assets**

Financial assets relate to the inter-company loans receivable and the inter-company account with Deutsche Bahn AG. The inter-company loans receivables are held at its fair value on initial recognition and subsequent at amortised costs, which is minus the value of discount. Impairment of financial fixed assets as at balance sheet date if any, is taken into account in the valuation of these assets.

### **1.6 Impairment**

At each balance sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined.

The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised in profit or loss.

### **1.7 Cash at banks**

Cash represents cash in hand and bank balances, which are stated at face value.

# Deutsche Bahn Finance B.V.

## Amsterdam

### **1.8 Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest in the income statement over the period of the borrowings using a straightline depreciation.

### **1.9 Financial income and expense**

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

### **1.10 Discount/premium on bond and loan issues**

Discounts/premiums arising on the issue of inter-company loans and the issue of bonds are respectively released, amortised on a straight-line basis over the term of the loans/bonds.

### **1.11 Guarantee fee**

Guarantee fee represents the costs relating to the guarantee issued by Deutsche Bahn AG in relation to the redemption of the bonds and the payment of interest thereon. The guarantee fee amounts to 0.1% of the issued bonds per annum. The outstanding balance at period-end relating to the guarantee fee is part of the inter-company payable with Deutsche Bahn AG.

### **1.12 Bond issue costs**

Bond issue costs relate to the marketing costs of new bonds issued. These costs include road shows, conferences, hotel and travelling expenses. These costs are recognised on the historical cost convention and are expensed in the reporting year the bond was issued.

### **1.13 General and administrative expenses**

General and administrative expenses relate to professional fees and other office expenses.

### **1.14 Taxation**

The liability for income tax is based on taxable income, which is defined under a specific Advanced Pricing Agreement for the Company applicable up to and including the financial year 2015.

# Deutsche Bahn Finance B.V.

## Amsterdam

### **1.15 Cash flow statement**

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement are comprised of cash and cash equivalents. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, and income taxes are included in cash from operating activities. Transactions not resulting in inflow or outflow of cash, are not recognised in the cash flow statement.

Cash flows in foreign currencies have been translated at exchange rates prevailing at the date the transaction took place. Receipts and payments of interest and corporate income tax are included in the cash flow from operating activities.

### **1.16 Risk management**

The Company has limited exposure to currency risk, interest rate risk and credit risk. These risks are actively managed via natural hedging. Risks are closely managed as following:

- *Currency risk*

The Company manages its exchange exposure by means of back to back funding of the initiated loans in the respective currencies. Therefore, the Company has no currency exposure on the nominal loan amounts in foreign currencies.

- *Interest rate risk*

The Company obtains a set margin on the back to back funding. Its margin is therefore fixed and interest rate risk is minimised.

- *Credit risk*

The credit risk of the Company is concentrated on companies belonging to the Deutsche Bahn Group. The present economic situation of Deutsche Bahn Group does not indicate any such risk.

- *Refinancing risk*

The group company's policy is focused on maintaining the AA1/AA/AA rate, which mitigates the refinancing risk of the company.

Deutsche Bahn Finance B.V.  
Amsterdam

**2 Notes to the balance sheet**

**2.1 Financial assets**

<i>(In EUR'000)</i>	Loans receivable from group companies	Inter- company Deutsche Bahn AG	Total
Opening balances as per 1 January 2013			
Inter-company account	-	48,254	48,254
Loans granted	13,414,697	-	13,414,697
Loan discounts	(75,239)	-	(75,239)
	<u>13,339,458</u>	<u>48,254</u>	<u>13,387,712</u>
Movements for the period 1 January 2013 to 30 June 2013			
Amortisation of discounts/premiums	5,853	-	5,853
New Loans	537,264	-	537,264
Foreign exchange adjustments	(201,692)	-	(201,692)
Reclassification Loans	(63,268)	-	(63,268)
Decrease inter-company loan	-	(11,564)	(11,564)
	<u>278,157</u>	<u>(11,564)</u>	<u>266,593</u>
Closing balance as per 30 June 2013	<u><u>13,617,615</u></u>	<u><u>36,690</u></u>	<u><u>13,654,305</u></u>

The table below summarises the maturity profile of the Company's financial assets

<i>(In EUR'000)</i>	30-Jun-13		31-Dec-12	
	Within 1 year	More than 1 year	Within 1 year	More than 1 year
Loans granted to group companies	813,285	13,688,794	750,000	13,414,697
Discount on loans	(321)	(71,179)	(671)	(75,239)
Inter-company Deutsche Bahn AG		36,690	-	48,254
	<u>812,964</u>	<u>13,654,305</u>	<u>749,329</u>	<u>13,387,712</u>

Loans to group companies included in financial assets are stated at the carrying value of the amount owed, which normally consists of its face value net of any provisions considered necessary. Deferred premiums and discounts on loans to group companies are amortized on a straight-line basis over the term of the loans.

The interest rate charged on loans to group companies vary between 0.797% and 5.375%, depending on the respective currency, maturity and market conditions.

The total market value of all current and non-current outstanding loans as per 30 June 2013 is EUR 15,722 million (31 December 2012: EUR 15,734) million.

Deutsche Bahn Finance B.V.  
Amsterdam

**2.2 Cash at banks**

Cash at banks consists of a current account in EUR with Deutsche Bank AG, Amsterdam branch and is at free disposal.

Cash and cash equivalents are at free disposal of the Company.

Cash and cash equivalents are stated at face value.

**2.3 Issued and paid-in share capital**

The authorised share capital of Deutsche Bahn Finance B.V. amounts to € 500,000, divided into 1,000 ordinary shares of €500 each. Of these, 200 ordinary shares have been issued.

<i>(In EUR'000)</i>	30-Jun-13	31-Dec-12
200 shares of EUR 500 each	100	100

**2.4 Retained earnings**

<i>(In EUR'000)</i>	30-Jun-13	31-Dec-12
Balance at January 1	32,462	25,733
Result for the previous period	7,547	6,729
Dividend paid	(15,000)	-
Rounding difference	-	-
	<u>25,009</u>	<u>32,462</u>

**2.5 Non-current liabilities**

<i>(In EUR'000)</i>	1-Jan-13 to 30-Jun-13	1-Jan-12 to 31-Dec-12
Opening balance	13,351,245	11,986,313
Movements		
Amortisation of discounts/premiums	4,987	9,909
New Bonds	538,469	2,223,096
Foreign exchange adjustments	(202,271)	(118,742)
Reclassification Bonds	<u>(63,285)</u>	<u>(749,331)</u>
	277,900	1,364,932
Closing balance	<u>13,629,145</u>	<u>13,351,245</u>

<i>(In EUR'000)</i>	30-Jun-13		31-Dec-12	
	Within 1 year	More than 1 year	Within 1 year	More than 1 year
Bonds Issued	813,285	13,688,794	750,000	13,414,697
Discount on Bonds	(303)	(59,649)	(669)	(63,452)
	<u>812,982</u>	<u>13,629,145</u>	<u>749,331</u>	<u>13,351,245</u>

All bonds are guaranteed by Deutsche Bahn AG.

Deutsche Bahn Finance B.V.  
Amsterdam

The table below summarises the re-payment schedule of the Company's bonds issued

(In EUR'000)	30-Jun-13			31-Dec-12		
	Within 5 year	More than 5 year	Average Coupon	Total	Average Coupon	Total
<b>Non-current:</b>						
EUR	4,660,000	5,540,000	3.890%	10,200,000	4.000%	9,850,000
CHF	425,513	688,925	1.550%	1,114,438	1.550%	1,138,995
GBP	349,977	536,631	2.350%	886,608	2.350%	931,258
HKD	82,379	-	2.000%	82,379	2.710%	106,200
JPY	386,500	422,058	1.420%	808,558	1.430%	964,480
NOK	253,660	190,245	3.640%	443,905	3.380%	272,180
USD	152,906	-	1.125%	152,906	1.160%	151,584
Discount	(16,497)	(43,152)		(59,649)		(63,452)
	<u>6,294,438</u>	<u>7,334,707</u>		<u>13,629,145</u>		<u>13,351,245</u>

(In EUR'000)	30-Jun-13			31-Dec-12	
	Within 1 year	Average Coupon	Total	Average Coupon	Total
<b>Current:</b>					
EUR	750,000	5.125%	750,000	5.125%	750,000
HKD	24,635	5.100%	24,635	-	-
JPY	38,650	1.575%	38,650	-	-
Discount	(303)		(303)		(671)
	<u>812,982</u>		<u>812,982</u>		<u>749,329</u>

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest in the income statement over the period of the borrowings using a straight line depreciation.

The total market value of all current and non-current outstanding bonds as per 30 June 2013 is EUR 15,728 million (31 December 2012: EUR 15,742 million).

## 2.6 Current liabilities

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to its short term character.

Deutsche Bahn Finance B.V.  
Amsterdam

**3 Notes to the profit and loss account**

**3.1 Employee information**

The Company has two managing directors and no employees. One managing director received a fixed annual fee of EUR 5,000 for providing the Company with a registered address and for the day to day management.

**3.2 Financial income and expense**

All financial income and expense is recognised in the period in which they occur.

**3.3 Taxation on result from ordinary operations**

<i>(In EUR'000)</i>	1-Jan-13 to 30-Jun-13	1-Jan-12 to 31-Dec-12	1-Jan-12 to 30-Jun-12
Taxable amount	5,330	10,054	4,984
Tax expense based on nominal tax rate (25%)	1,322	2,507	1,236
Effective tax rate	24.8%	24.9%	24.8%

The Corporate Income Tax is calculated on the profit/loss before tax in the income statement, taking into account any losses carried forward from previous financial years and tax exempt items and plus non deductible expenses. Calculation is also in accordance with the APA which has been concluded with the tax authorities. This APA is valid from 1 January 2011 until 31 December 2015.

Amsterdam, 1 August 2013

The Directors,

\_\_\_\_\_  
W. Reuter

\_\_\_\_\_  
Deutsche International Trust Company N.V.



Deutsche Bahn Finance B.V.  
Amsterdam

**Other information**

**Profit appropriation according to the Articles of Association**

In accordance with Article 20 of the Articles of Association, the result after taxation is at the disposal of the Shareholder at the Annual General Meeting.

**Proposed profit appropriation**

In accordance with Article 20 of the Articles of Association, the result after taxation is at the disposal of the Shareholder.

**Post Balance Sheet Events**

As per 24 July 2013 the Company issued 1.375% CHF 275 million Notes due 24 July 2023 and 3.125% GBP 300 million Notes due 24 July 2026.

No further significant events occurred after the balance sheet date.