



Finanzpräsentation 2014



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ENVIRONMENTAL

DB2020 – guiding us toward the future

Finanzpräsentation 2014

Tokyo – Hong Kong – Taipei – Singapore

***Our future: Sustainably successful
DB2020 – guiding us toward the future***



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Deutsche Bahn AG / DB Mobility Logistics AG

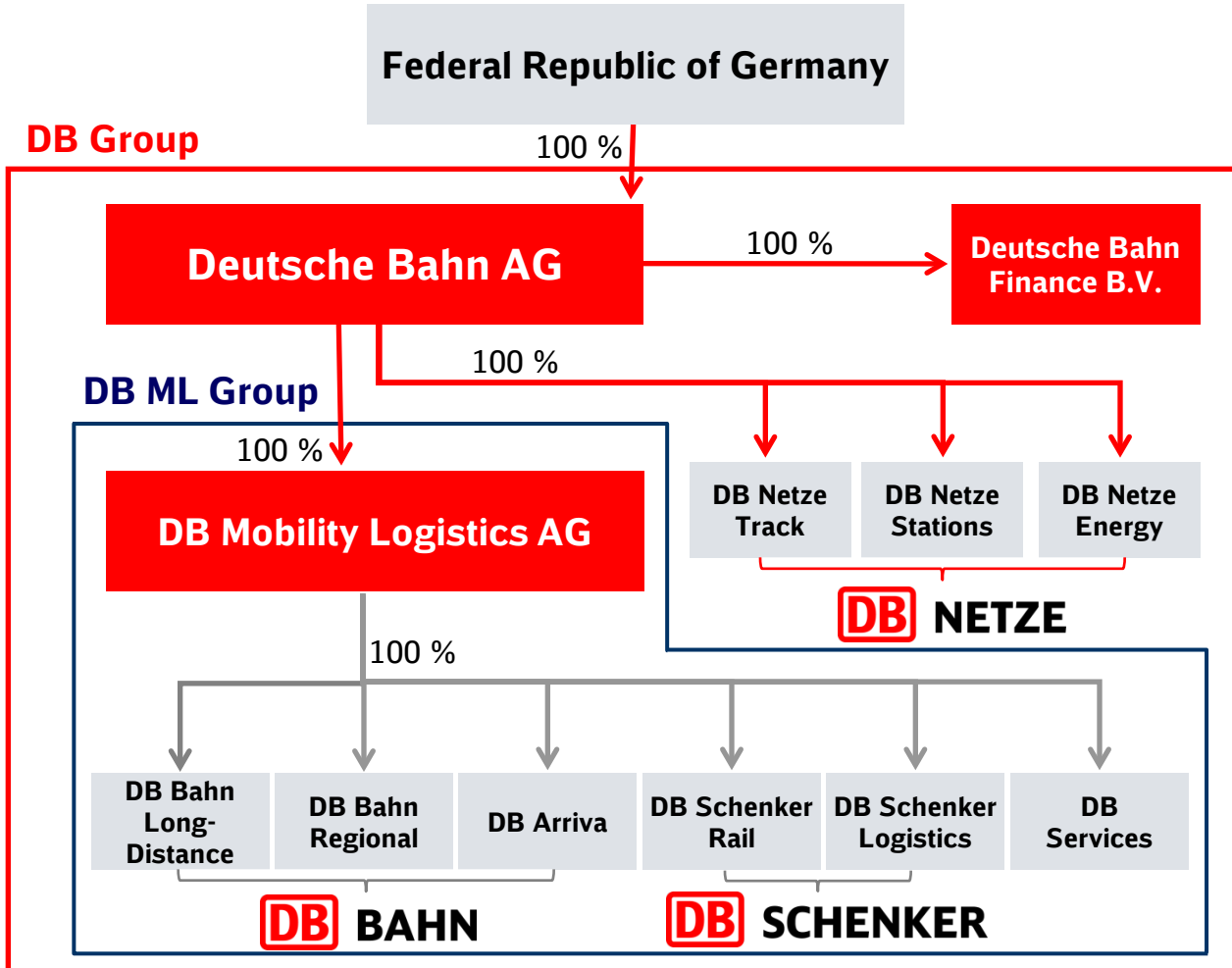
Group Treasurer, Head of M&A

Wolfgang Reuter

October 2014

Market driven structure – unchanged

Deutsche Bahn Group



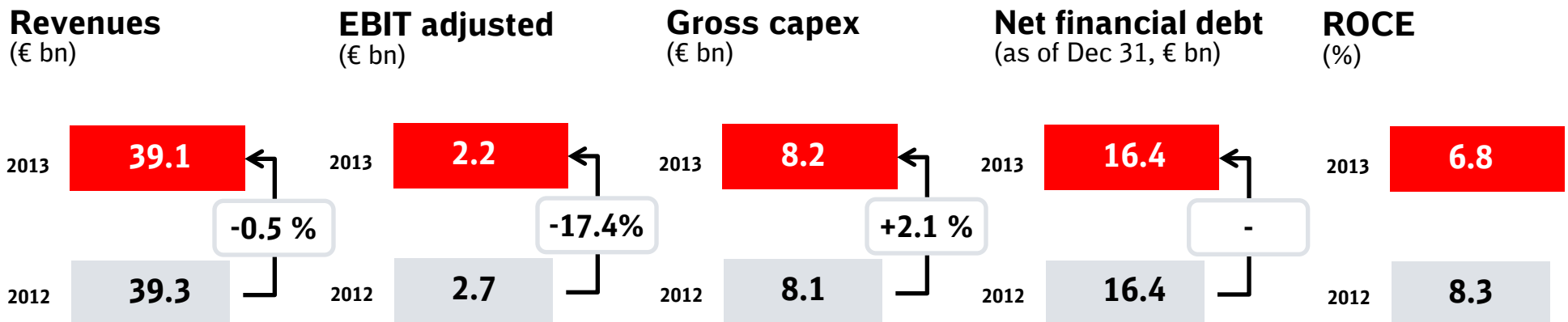
Comments

- DB AG was founded Jan 1, 1994 and is 100 % owned by the Federal Republic of Germany
- Integrated Group structure with two holding companies (DB AG and DB ML AG), 3 divisions and 9 business units
- Infrastructure business units are directly managed by DB AG
- DB ML AG operates as a holding company for DB Group’s passenger and logistics activities
- Privatization threshold: constitutionally mandated Federal majority shareholding in DB AG (“ownership clause”)

Unsatisfying development in 2013 Financial Year

Highlights

- Economic climate was weak: World, EU 28/18, Germany
- Mixed development of performance figures
- Revenues, operating profit and dividend payment declined
- Net financial debt at the same level as in the previous year
- Increase in order book to € 87.5 bn (+10.1 %)
- Weak development in key value management figures



Highlights H1 2014

Economics

- World economic growth above last year's level (+3.1% vs +2.7% in H1 2013)
- EU18 overcame recession (+0.7% vs -1.1% in H1 2013)
- In Germany growth accelerated (+1.7% vs -0.7% in H1 2013)

Performance figures

- Performance in rail passenger transport slightly below previous year (-0.4 %)
- Development in transport and logistics (rail: +0.9 %, land: +3.6 %, air: +2.6 %, ocean: +8.5 %).
- Train kilometers on German track infrastructure increased (+1.1 %)

Revenues and profit

- Revenue increase by 1.9 % to € 19.7 bn
- EBIT rises by € 70 mn to € 1.1 bn

M&A activities

- Sale of the activities of DB Arriva in Malta and DB Waggonbau Niesky in Germany
- Takeover of Cup Tour in Czech Republic to stretch activities in DB Arriva


Order book

- Decrease in order book to € 85.4 bn (-2.4 %), thereof secured € 53.5 bn, thereof unsecured € 31.9 bn
- Tender hit rate in German regional rail passenger transport: 74%

Ratings

- All ratings unchanged: Moody's (Aa1), Standard&Poor's (AA), Fitch (AA)

Positive development in the first half of 2014

 Selected key figures (€ mn)	H1 2014	H1 2013	Change	
			absolute	%
Revenues	19,734	19,373	+361	+1.9
Revenues comparable	19,842	19,346	+496	+2.6
EBIT adjusted	1,088	1,018	+70	+6.9
Net profit	642	554	+88	+15.9
Gross capital expenditures	3,414	3,263	+151	+4.6
Net capital expenditures	1,847	1,598	+249	+15.6
Net financial debt as of Jun 30, 2014/Dec 31, 2013	16,571	16,362	+209	+1.3
ROCE (%)	6.5	6.1	-	-

Different development in business units

BAHN



DB Bahn Long-Distance

- ↘ Rail volume sold (pkm: -2.8%)
- ↘ Load factor (-1.4 percentage points)



DB Bahn Regional

- ↗ Rail volume sold (pkm: +0.9%)
- ↘ Bus volume sold (pkm: -3.3%)



DB Arriva

- ↗ Rail volume sold (pkm: +2.8%)
- ↗ Bus volume produced (bus km: +8.3%)

NETZE



DB Netze Track

- ↗ Train kilometers (train-path km: +1.1%)
 - ↗ non-Group customers (+5.7%), share 24.6%

SCHENKER



DB Schenker Rail

- ↗ Rail volume sold (tkm: +0.9%)
- ↗ Capacity utilization (tons per train: +1.9%)



DB Schenker Logistics

- ↗ Land transport (shipments: +3.6%)
- ↗ Air freight (tons: +2.6%)
- ↗ Ocean freight (TEU: +8.5%)
- ↗ Contract logistics (revenues: +8.9%)

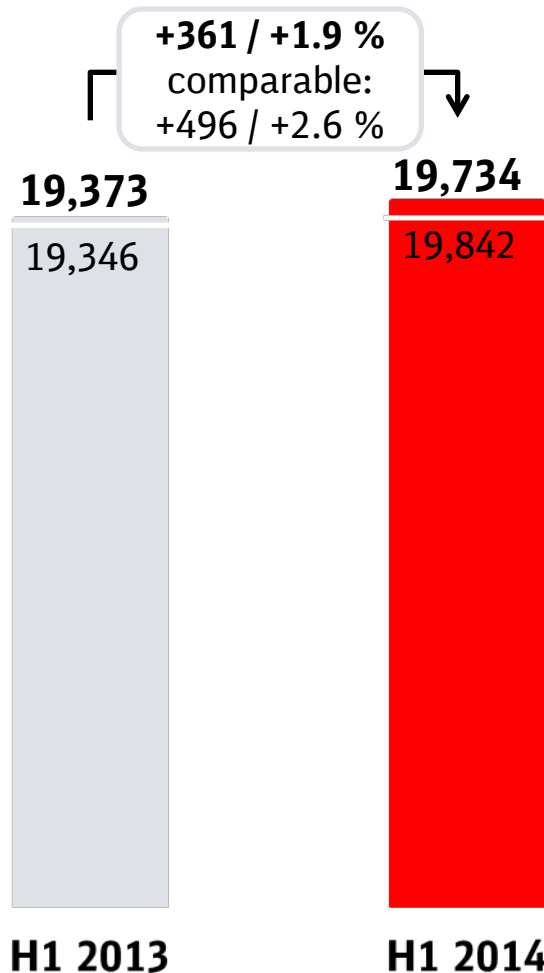


DB Netze Stations

- ↗ Stops (number: +1.8%)
 - ↗ non-Group customers (+5.2%)

Revenue development influenced by strong Euro

Revenues (€ mn)



Highlights

DB Group

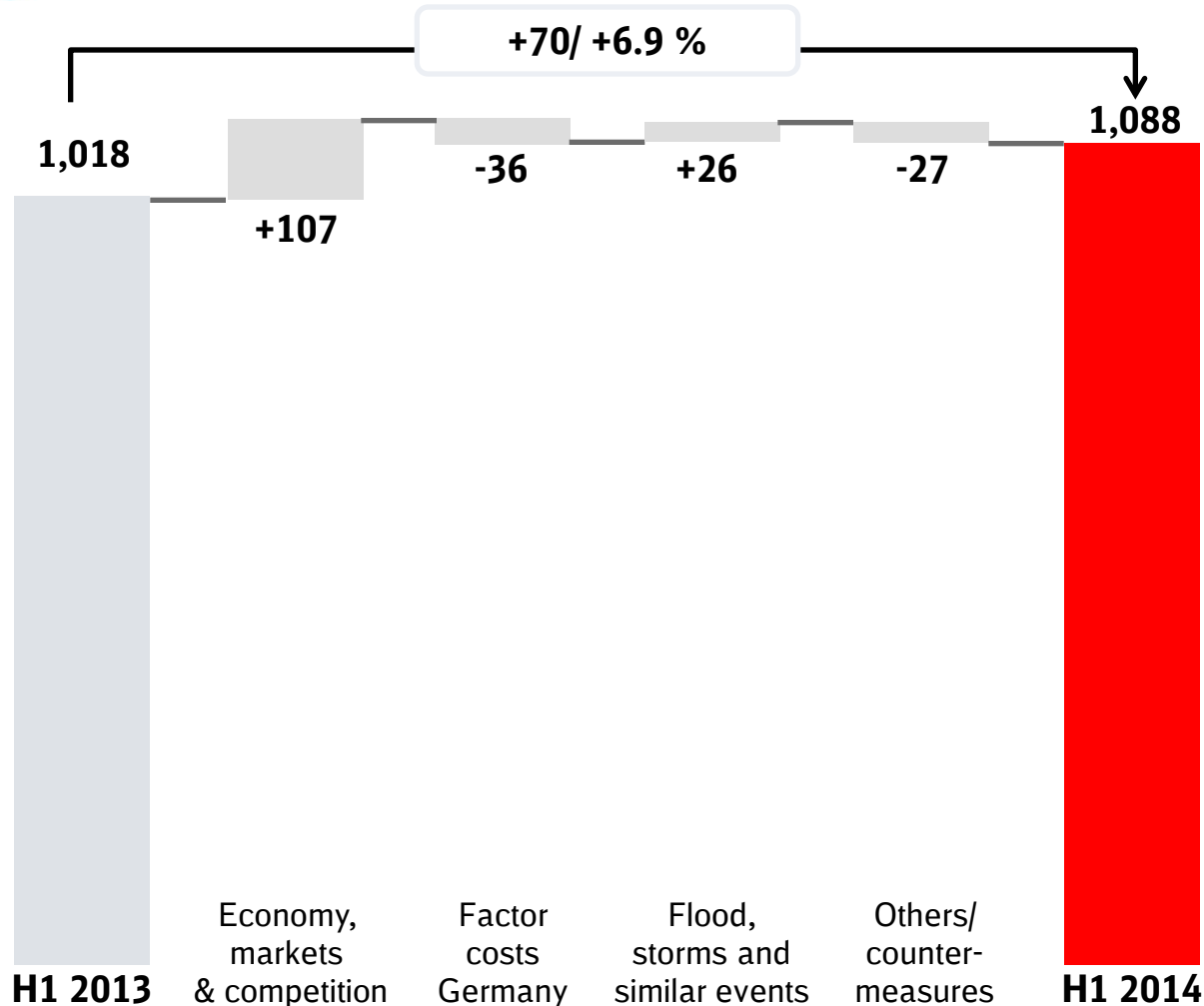
- Changes in scope of consolidation +0.5 %
(mainly Veolia Eastern Europe)
- FX-effects -1.2 %
(mainly DB Schenker Logistics)

No significant changes in revenue structure

- By division: DB Schenker 49% (H1 2013: 50%), Passenger transport 43% (43%), DB Netze 7% (6%)
- By activities: Rail 52% (52%), Non rail 48% (48%)
- By regions: Germany 58% (58%), Europe (excl. Germany) 31% (31%), Asia/Pacific 6% (6%)

Operating profit increased

Adjusted EBIT (€ mn)



Remarks

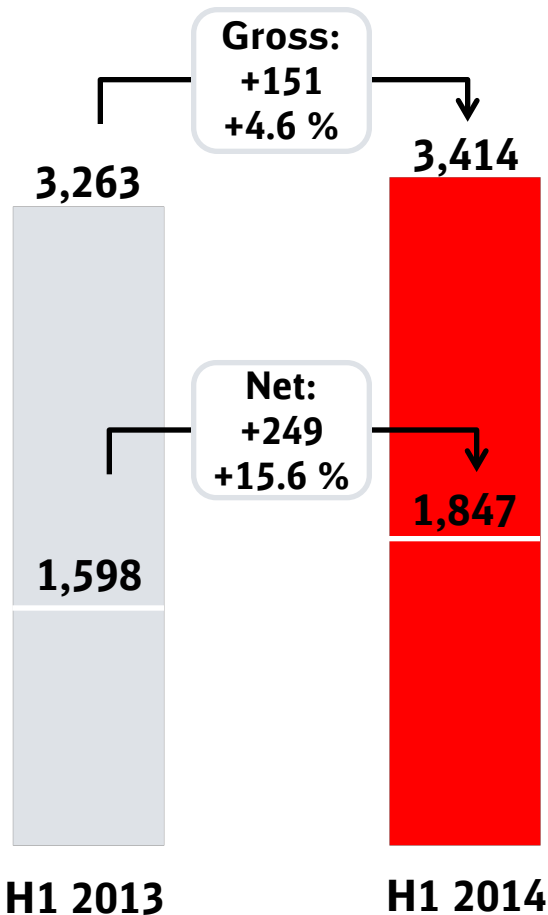
- Growth mainly at DB Bahn Regional, DB Netze Stations and DB Arriva

Key impact factors:

- (1) Economy, markets & competition
 - Positive impulses from the economic environment
 - All areas of the business, including Group management, have a clear focus on countermeasures and on cost-efficient structures
 - Competition long-distance bus transport in Germany
- (2) Factor costs Germany
 - Wage increases
- (3) Others/counter measures
 - Intra-Group labor market

Capital expenditures activity continued at a high level

Capital expenditures (€ mn)



Highlights

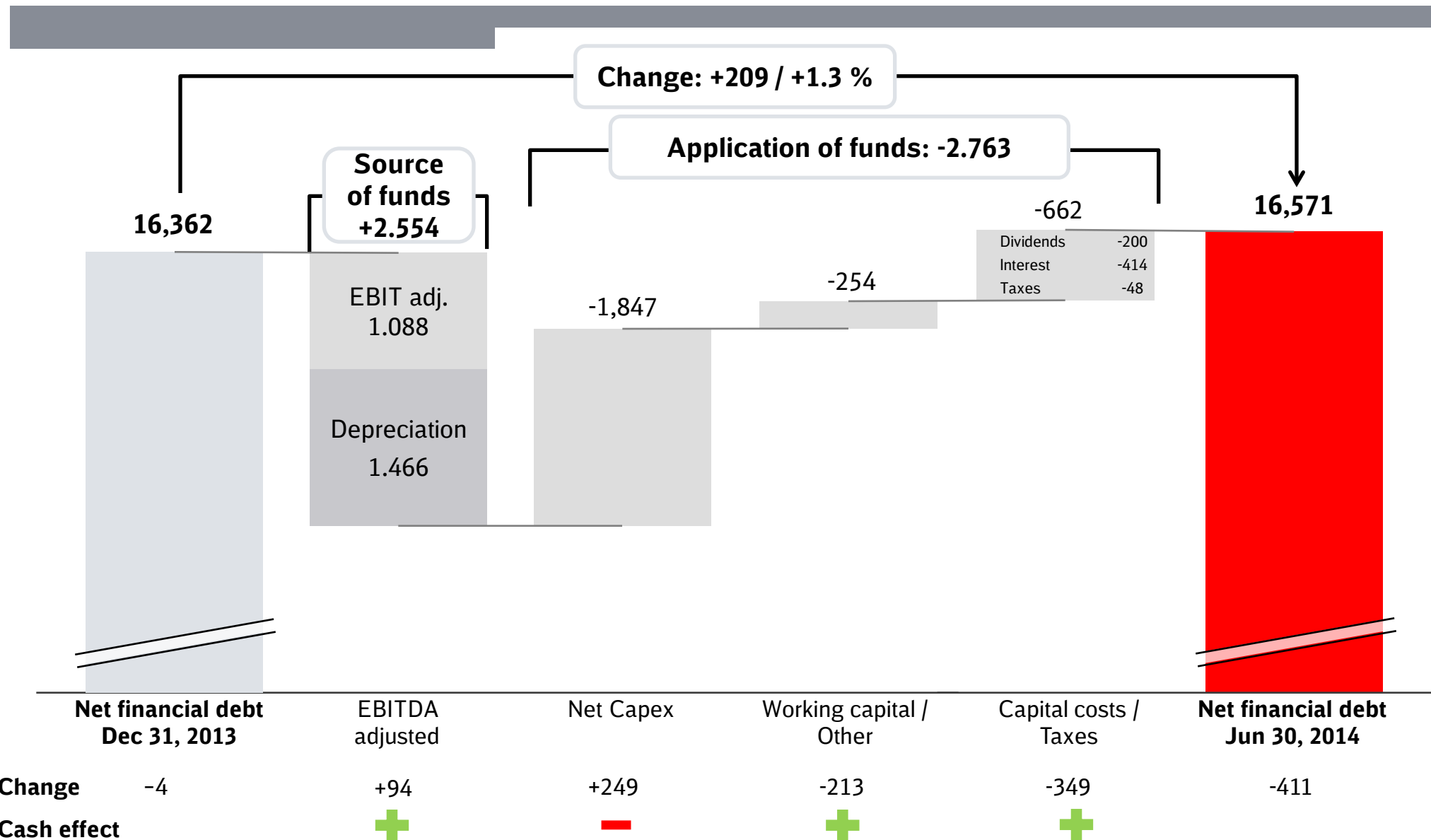
Group

- Focus of gross capex unchanged:
 - 65 % Infrastructure
 - 95 % Germany
- Higher rolling stock capital expenditures (DB Bahn Regional and DB Bahn Long-Distance)
- Net capital expenditures result from the gross capital expenditures less investment grants

Divisions (gross capital expenditures)








- DB Bahn € +196 mn (+27.9 %)
 - thereof DB Arriva € -83 mn (-52.5 %)
- DB Schenker € -4 mn (-2.4 %)
- DB Netze € -41 mn (-1.8 %)

Source and application of funds



Expected funding requirements in 2014

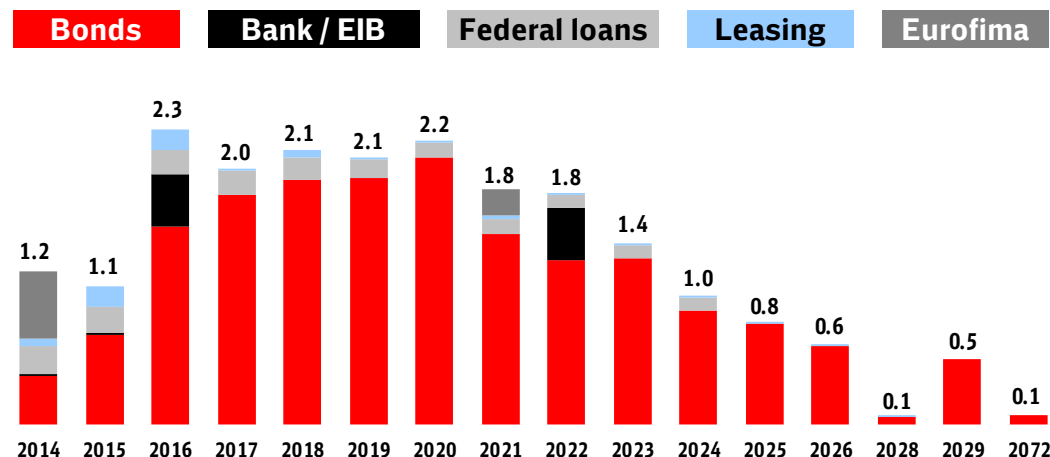
Bond issues 2014 (in total 7 transactions / € 1.7 bn (so far))

Million	Currency	Maturity	€ all-in-costs (%)	Swap spread (BP)
59 ¹⁾		10Y	2.46	42
182		7Y	1.89	37
246		10.5Y	2.40	34
73		5Y	-	-
500		15Y	2.89	52
300		6Y	floating	30 ²⁾
300		8Y	floating	28 ²⁾

¹⁾ Private placement. ²⁾ 3M-EURIBOR.

Maturity profile financial liabilities

(as of September 1, 2014; € bn; incl. swaps)




Anticipated funding requirements 2014 (€ bn)

Net liquidity (as of Jan 1, 2014)	+2.9
Redemptions (2014)	-1.3
Net capex / other	-5.0
Operating cash flow	+4.5
Dividend for 2013 financial year	-0.2
Bond issues (as of September 1, 2014)	+1.7
Anticipated further bond issues	+0.3
Net liquidity (as of Dec 31, 2014)	+2.9

Expectations largely unchanged for 2014 financial year

Expected development in H2 2014

- Record turnover expected but slight decrease in revenue forecast
- EBIT will be of the same order as last year
- The outlook for net profit for the year and capital expenditures remains unchanged
- Net financial debt will lead to a figure at the lower end of the forecast range from EUR 17.0 to 17.5 billion

 Outlook (€ mn)	2013	2014 (as of March)	2014 (as of July)
Revenues adjusted	39,119	~41,000	~40,500
EBIT adjusted	2,236	~2,200	>2,200
Net profit for the year	649	~1,100	>1,100
Gross capital expenditures	8,224	~9,500	~9,500
Net capital expenditures	3,412	~4,500	~4,500
Net financial debt (as of Dec 31)	16,362	17.0-17.5	17.0-17.5

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***Our future: Sustainably successful
DB2020 – Our compass, even in challenging times***



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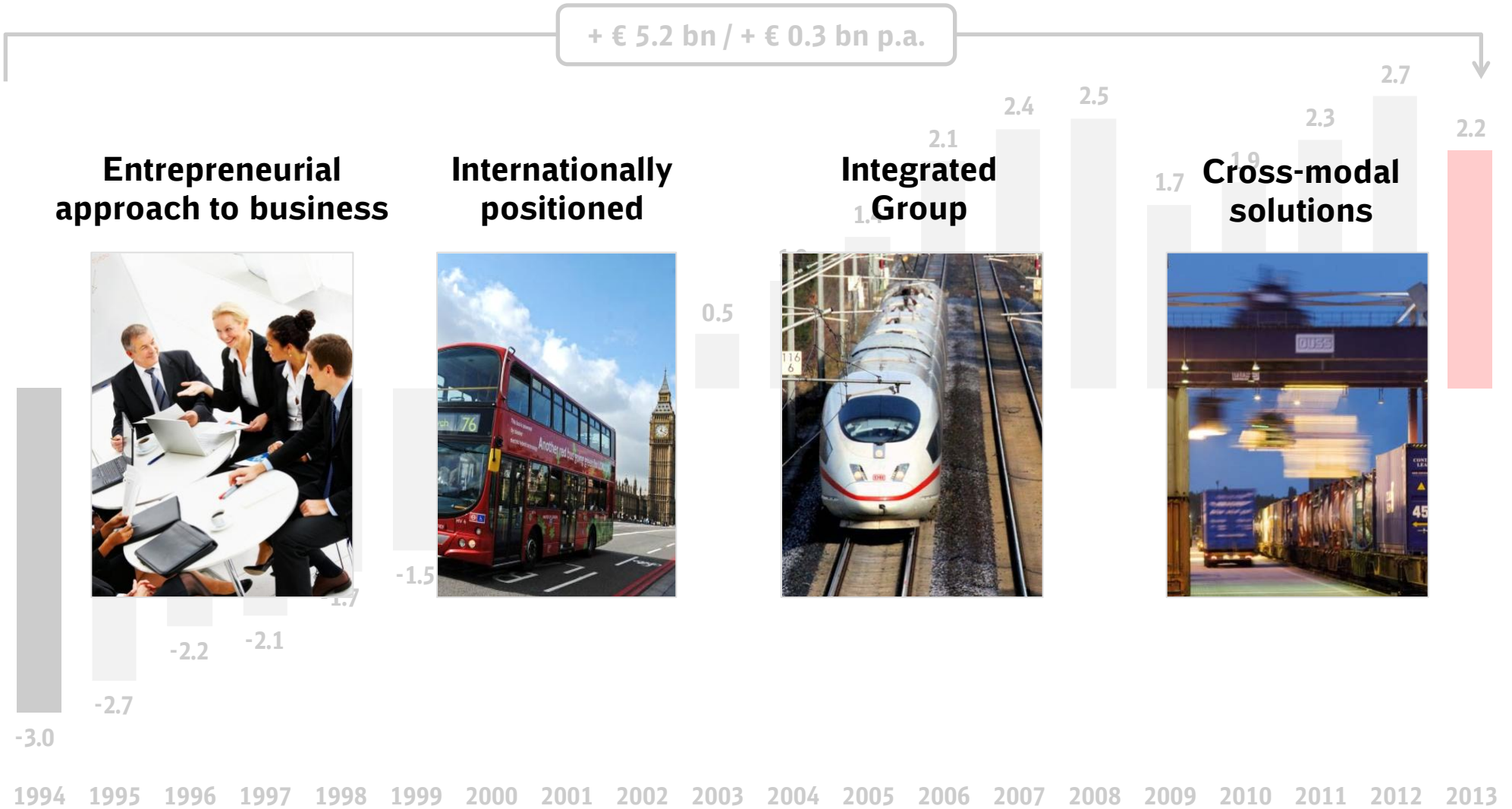
Deutsche Bahn AG / DB Mobility Logistics AG

Head of Investor Relations

Robert Allen Strehl

October 2014

20 years of Deutsche Bahn: A success story





Ongoing implementation process of DB2020



Vision | We are becoming the world's leading mobility and logistics company
Sustainable business success and social acceptance

Sustainability dimension

Profitable market leader
Economic



- Customer and quality
- Profitable growth

Top employer
Social



- Cultural change/ employee satisfaction

Eco-pioneer
Environmental



- Resource conservation/ emissions and noise reduction

Strategic directions

- ✓ **DB2020 strategy developed** for Group-wide and business-unit levels
- ✓ **DB2020 target systems set** for Group-wide and business-unit levels
- ✓ **Targets added to variable remuneration system** for 5,000 executives
- ✓ **Target system integrated into planning and reporting processes**
- ✓ **Strategy communicated extensively**, both within and outside DB, new **DB sustainability day established**
- ✓ **DB Foundation established** to coordinate our social projects

...



DB2020 offers us a broad base for growth in a complex environment

DB trend landscape



- Environment increasingly complex, but offers DB more opportunities than risks
- DB2020 is a broad-based approach to management that enables us to meet challenges and seize opportunities
- 4 key trend areas:
 - customer,
 - society,
 - government and
 - economy

 **Profitable market leader: Focus on customer and quality**



8

New ICEs in operations

 **Profitable market leader: Focus on profitable growth**



75%

Hit rate 2013 / 2014 so far
DB Bahn Regional



Our China Train is an environmentally friendly and fast solution

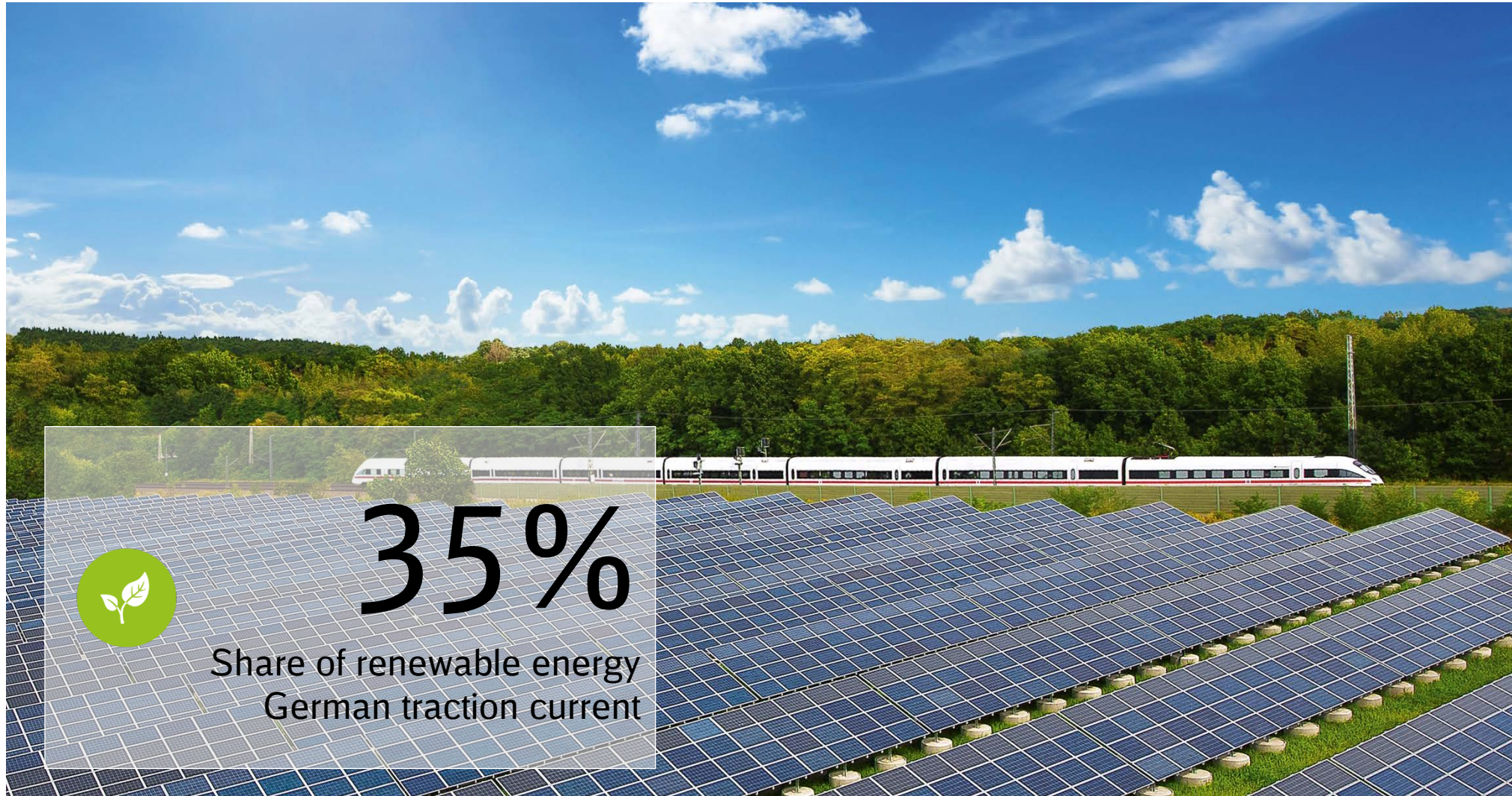


China Train – the bridge between Europe and Asia

- DB Schenker introduced the China Train as an environmentally friendly solution for those customers who are looking for the optimum of transport time and costs
- Since mid-2013, DB Schenker has offered its customers new regular scheduled rail service once a week from Zhengzhou to Europe
- This train takes about 20 to 22 days and thereby generates less than five percent of the CO₂ emissions of comparable air freight

 **Compared to air freight, customers can save more than 95 percent of their CO₂ emissions**

 **Eco-pioneer: Focus on resource preservation/emissions reduction**



35%

Share of renewable energy
German traction current

 **New facilities in Asia/Pacific are economically and environmentally favorable**



Baraki, Japan

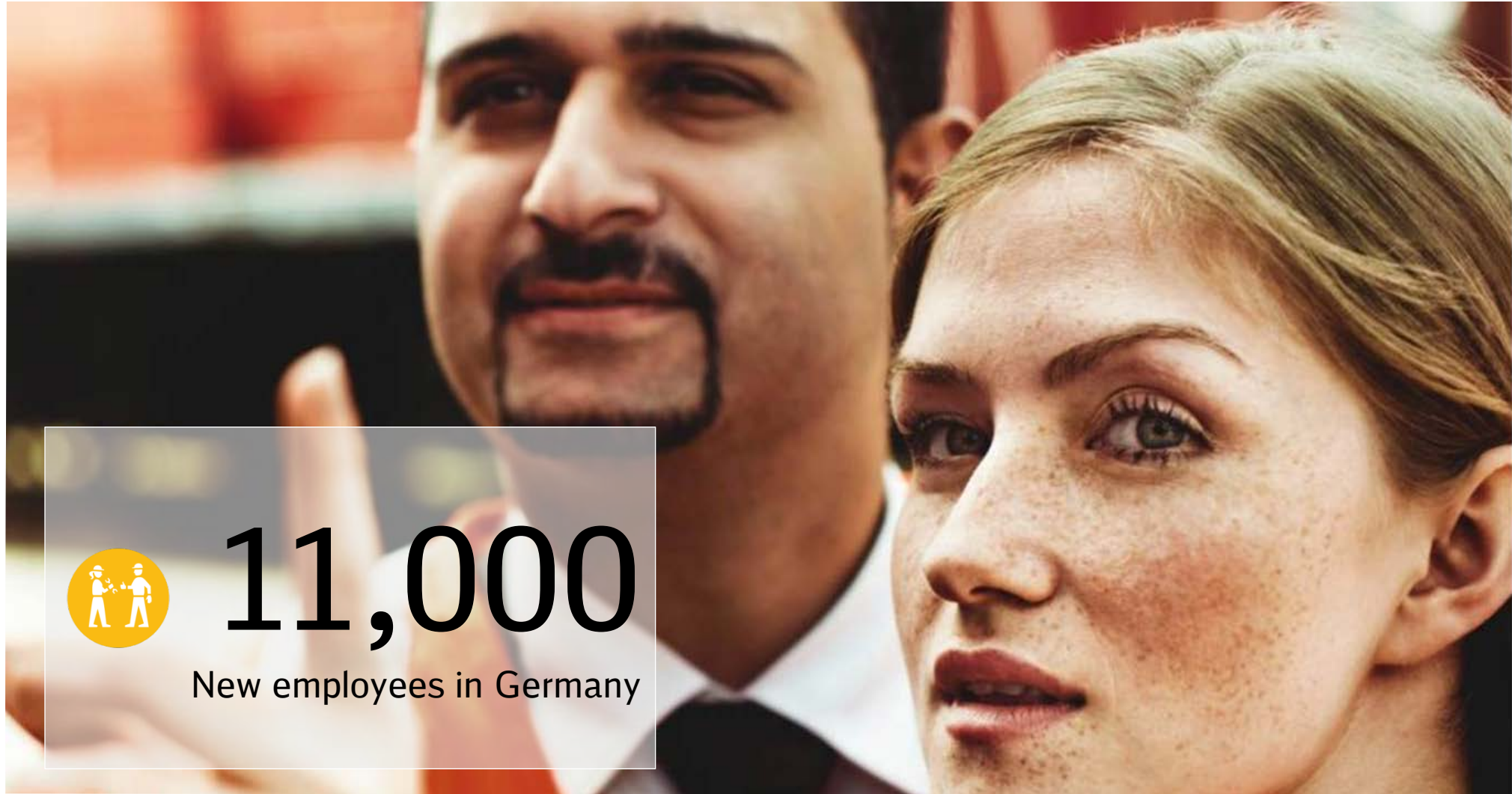
- Solar energy: 2,940 solar panels on the roof,
- Use of rainwater: a rainwater purification system
- Modern LED lighting
- In total 30 percent energy are saved
- Convenient connection to Japan’s two largest airports shortens domestic transport routes



Tampines, Singapore

- Integrated logistics facility has attained the Green Mark Platinum award, the highest standard under Singapore’s Green Mark scheme.
- A passive design composite wall panel provides highly effective thermal insulation
- A rainwater management system contributes to enhanced water efficiency for landscape irrigation
- An efficient air-conditioning system serves to minimize energy consumption and improves air flow distribution
- An estimated 1,108 tons of CO₂ will be saved annually

 **Top employer: Focus on cultural change/employee satisfaction**



11,000

New employees in Germany

 **DB2020 – guiding us toward the future**



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Key messages

DB 2020 **Good position for further profitable growth**

Supportive trend landscape



Growing markets



Our approach



Leading market positions



Strong competitive position



Key messages

Major challenges in 2014



Achieve economic targets

Revenues: > € 40 bn for first time

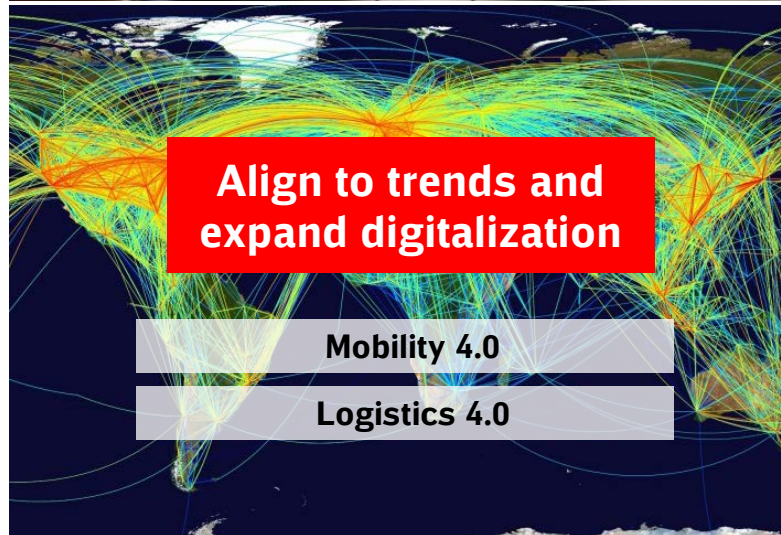
EBIT: at least prev. year's level



Continue to modernize our fleet

First ICx prototype in production

Finish IC modernization



Align to trends and expand digitalization

Mobility 4.0

Logistics 4.0



Expand our position as an eco-pioneer

Lower CO₂ emissions further

Drive noise reduction

Key messages

Headwinds give us additional energy and focus

- 2014 profit-wise in line with forecast
- Our commitment: stay on track and make DB2020 happen
- Our key strengths
 - Proven track record
 - Robust business portfolio
 - Solid financial position
 - Experienced management team



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Appendix

Strong Group portfolio with three divisions

DB Group (2013)



- International provider of mobility and logistics services
- Active in more than 130 countries
- Vertically integrated Group structure
- DB AG and DB ML AG act as management holding companies
- Ratings: Aa1 / AA / AA

Total revenues	39,119	-0.5%
EBIT adjusted	2,236	-17.4%
EBITDA adjusted	5,139	-8.2%
Capital expenditures	8,224	+2.1%
Employees (as of Dec 31)	295,653	+2.8%

DB BAHN



DB SCHENKER



DB NETZE



Key figures (2013)

<ul style="list-style-type: none"> ▪ ~4.4 bn rail and bus passengers ▪ >11.9 mn rail and bus passengers/day 	<ul style="list-style-type: none"> ▪ >390 mn t rail freight ▪ >95 mn shipments ▪ >1.0 mn t air freight ▪ ~1.9 mn TEU ocean freight 	<ul style="list-style-type: none"> ▪ >1 bn train-path km ▪ >146 mn station stops ▪ 33,448 km length of line operated ▪ 5,668 stations
17,102	19,700	8,663
+2.2%	-3.0%	-0.3%
1,345	392	965
-9.4%	-22.4%	-20.6%
2,453	870	2,080
-3.7%	-12.8%	-11.6%
1,351	517	6,106
+0.1%	-25.3%	+8.9%
94,976	94,976	48,794
+2.7%	-1.0%	+2.0%

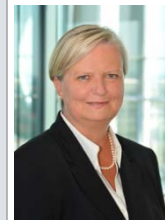
Excl. DB Services and Other/consolidation; Key figures vs. 2012

Top management team has a wide range of competence and experience

The Management Boards of DB AG and DB ML AG



Chairman and CEO
Dr. Rüdiger Grube



Technology and Environment
Dr. Heike Hanagarth



Finance/Controlling
Dr. Richard Lutz



Passenger Transport
Ulrich Homburg



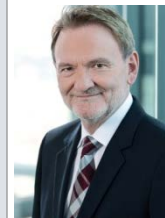
**Compliance, Privacy, Legal
Affairs and Corporate Security**
Gerd Becht



Transport and Logistics
Dr. Karl-Friedrich Rausch





Human Resources
Ulrich Weber



Infrastructure and Services
Dr. Volker Kefer

DB is active in market with commercial and publicly mandated services

We differentiate between independent commercial services and publicly mandated services

 Independent commercial services
 Publicly mandated services



BAHN

Passenger Transport

Long-distance transport services

- Direct competition, above all, with cars and airplanes
- End-customer business
- Intensive level of fixed assets

Local public transport services

- Contracted routes, tender competition
- Customers here are both the contracting organization¹ as well as the passenger (end-customer)
- Intensive level of fixed assets

SCHENKER

Transport and Logistics

Rail freight transport services

- Rail competes directly with other modes of transport
- Big customer business, clear sector focus
- Intensive level of fixed assets

Freight forward. and logistical services

- Direct competition (world-wide)
- Full service forwarder, large customer base, broad mix of industries
- Less intensive level of fixed assets

NETZE

Infrastructure

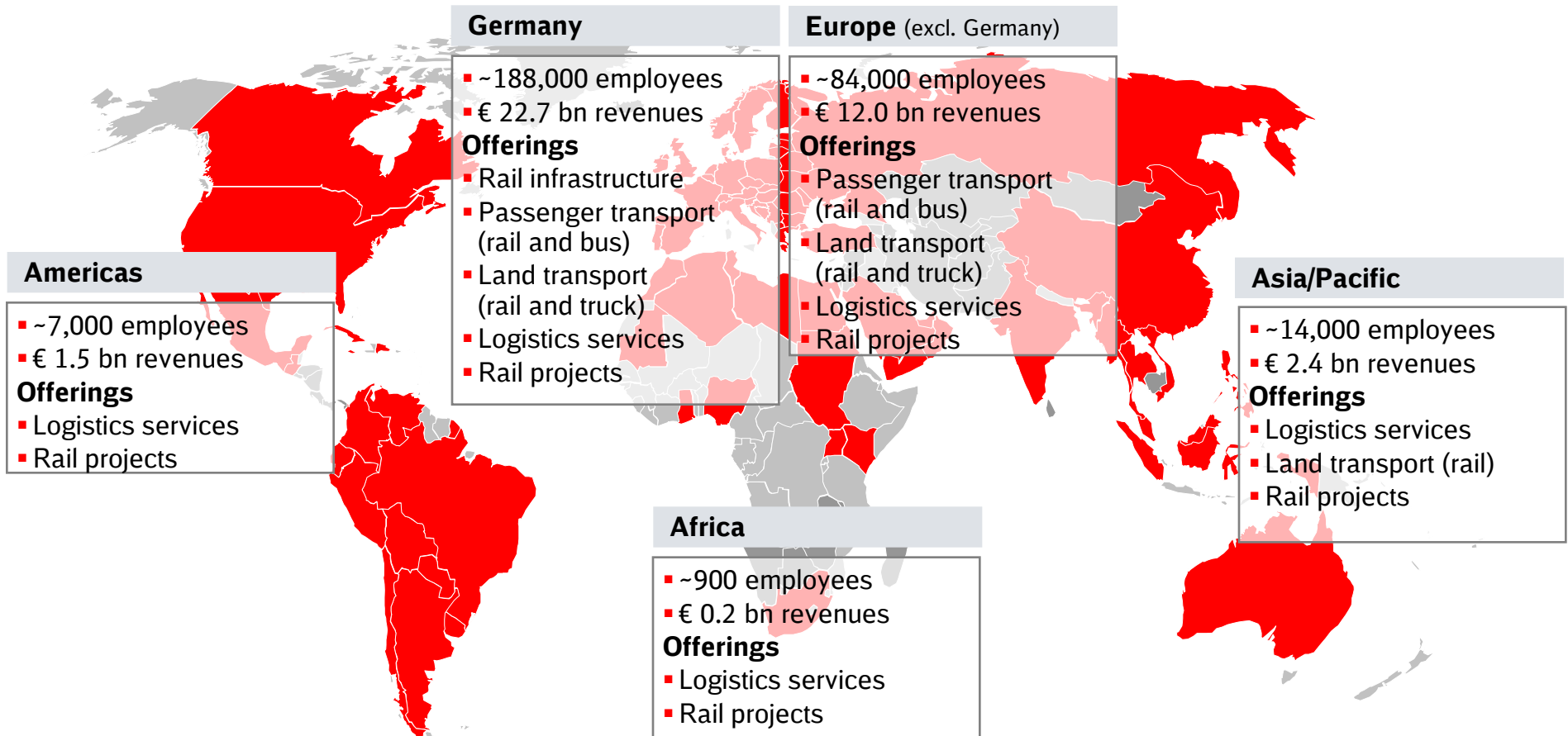
Provision of infrastructure

- No competition, monopoly position in regulated markets, public-sector contracts for reliable and efficient provision of infrastructure at competitive prices
- Customer: Carriers (derived demand)
- Very intensive level of fixed assets

¹ Contracting organizations can be states, state-run enterprises, transport associations, or regional bodies

DB is acting worldwide in more than 130 countries

DB networks – covering more than 130 countries worldwide



Business units active in all segments of the transport market

BAHN



Passenger Transport:

Domestic and European-wide mobility services

- **DB Bahn Long-Distance**
Long-distance rail pass. transport¹
- **DB Bahn Regional**
Regional/urban pass. transport (GER)
- **DB Arriva**
Regional/urban pass. transport (EU)²

SCHENKER



Transport and Logistics:

Intelligent logistics services via land, air and the sea

- **DB Schenker Rail**
European rail freight transport
- **DB Schenker Logistics**
Global logistics services

NETZE



Infrastructure:

Efficient and future-oriented rail infrastructure in Germany

- **DB Netze Track**
Rail network
- **DB Netze Stations**
Traffic stations
- **DB Netze Energy**
Traction current

DB Services³

Integrated range of services

¹ Within Germany as well as cross border traffic; ² In UK with Arriva-affiliate CrossCountry also long-distance passenger transport;

³ Business unit is assigned to the Infrastructure and Services division

DB is the second biggest provider in the European passenger transport market

DB BAHN

- **2.7** billion passengers per year in trains and buses
- **25,000** passenger trains per day
- **250** trains are included in ICE fleet of DB
- **9** neighboring countries can be reached directly via DB

DB Bahn Long-Distance



DB Bahn Regional



DB Arriva



DB Bahn Sales¹

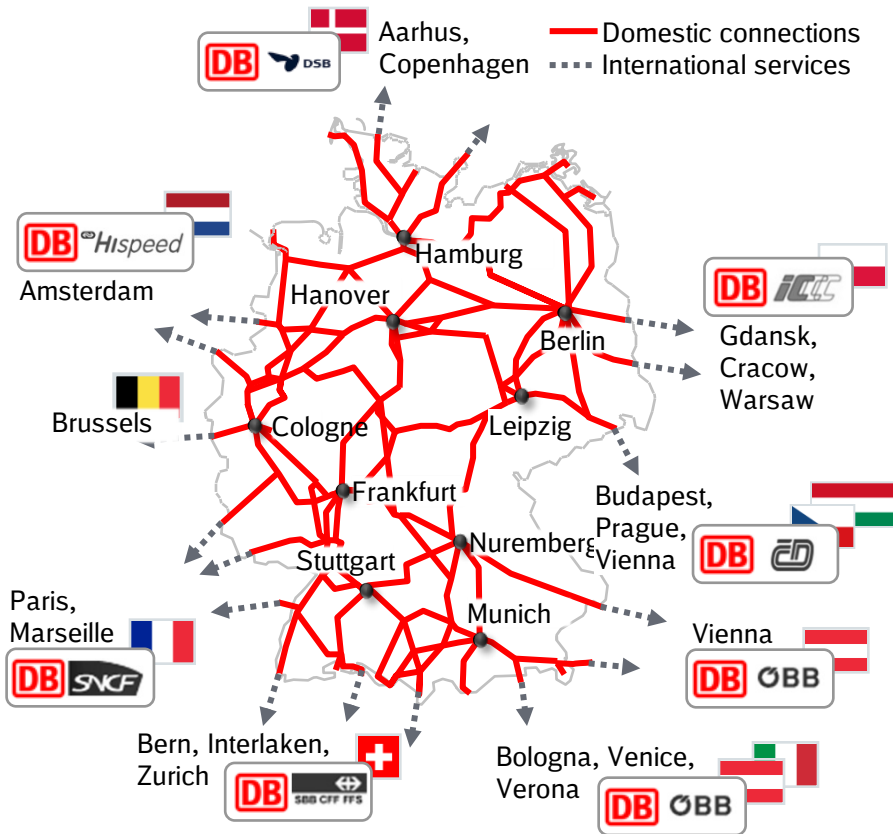


Figures are rounded and exclude DB Arriva; ¹ DB Bahn Sales is a service center within the passenger transport division

DB Bahn Long-Distance: network connected with European neighbors

Market overview for DB Bahn Long-Distance

Key markets



Significant characteristics

- DB Bahn Long-Distance operates its services **on a purely commercial basis**
- Germany is the **home market** – DB Bahn Long-Distance is currently the only **network provider** with full-coverage connections between German cities
- **German long-distance transport market** completely accessible for competition since rail reform in 1994
- **Market liberalization in many countries is not yet advanced**, so often only cross-border connections in cooperation with the national railways can be offered
- DB Bahn Long-Distance links the **most important neighboring cities** with **point-to-point connections** from the German network

DB Bahn Regional Rail: 27 client organizations order services in Germany

Market overview for DB Regional Rail

Organizations ordering LRPT¹ services



Significant characteristics

- In **1996 responsibility** for **local rail passenger transport (LRPT)** was **transferred** from the German government to the **individual German states**
- To finance this, the government made **regionalization funds** available to the Federal states (approx. € 7 bn)
- **27 client organizations** order LRPT services from train operating companies on behalf of the states
- **Market volume** is about **644 mn train km**
- The market in Germany is **completely liberalized**. With a **market share** of around **75%** DB Bahn Regional is the backbone of the LRPT market

¹ LRPT = local rail passenger transport

DB Bahn Regional Bus: market consists of three segments

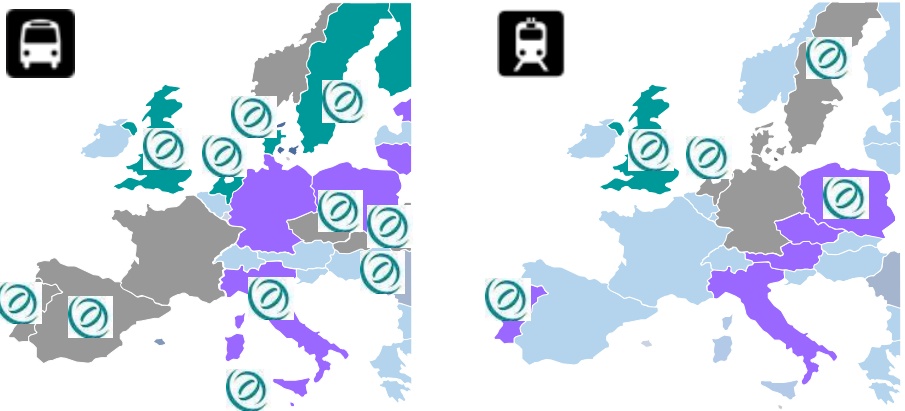
Sub-markets of the public road transport (PRT) market

	Description	Provider structure
PRT market	Regional Bus <ul style="list-style-type: none"> Regional overland transport with a focus on school/college services Predominantly franchise renewals Increasing competition DB Regional Bus market share: > 50% 	<ul style="list-style-type: none"> DB Regional Bus Global players SMEs Municipal district transport companies
	City Bus <ul style="list-style-type: none"> Generally in towns with min. 20,000 inhabitants Most contracts awarded internally to municipal companies DB Regional Bus market share: around 1% 	<ul style="list-style-type: none"> Almost exclusively municipal transport companies Some privatised exceptions
	Light Rail <ul style="list-style-type: none"> In conurbations and urban regions Contracts only awarded internally to municipal companies No DB Regional Bus transport services 	<ul style="list-style-type: none"> Almost exclusively municipal transport companies A very few private providers

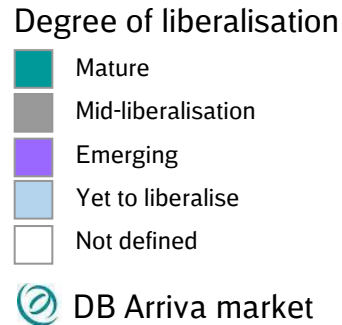
DB Arriva: established growth platform in 14 countries

Market overview for DB Arriva

Key markets



- Highly varying degrees of liberalisation
- Numerous platforms established by DB Arriva

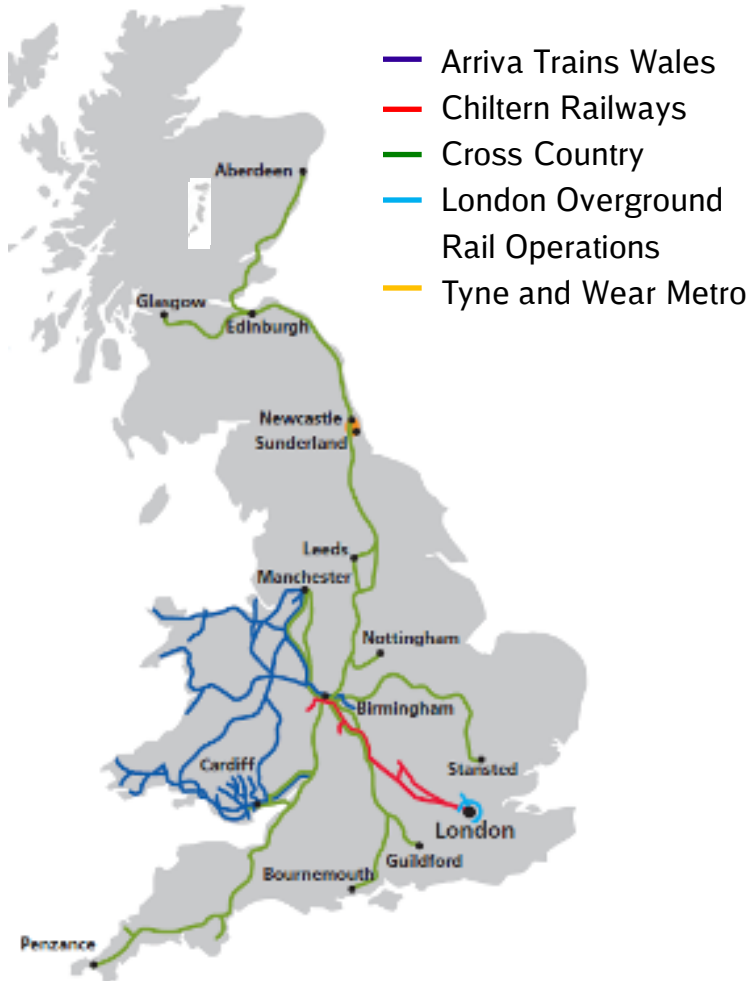


Significant characteristics

- **Very heterogeneous markets** throughout Europe - in terms of both market liberalisation and competition - **complete liberalisation means a redistribution of € 100 bn worth of contracts**
- **DB Arriva is a growth platform in Europe** and is already well-established in **12 markets** with **over 12,000 buses** and **some 700 trains**
- Thanks to its diversified portfolio, **DB Arriva is perfectly positioned** (broad geographical coverage, various modes of transport and business models)
- DB Arriva has proven its **ability to generate profitable growth** in the past

Arriva UK Trains is one of the leading providers with a diversified portfolio

Arriva UK Trains – facts and figures



- Important rail operator in UK with five transport service contracts
- Entered market in 2000
- Market share of rail passenger transport: 13%
- 6,300 employees
- Management of a fleet of 390 trains
- Broad portfolio of products and services: light railways, commuter transport, regional and long-distance transport
- Over a decade of experience in a highly competitive, deregulated rail transport market
- Close relationships with customers, transport associations and client bodies
- Operation and development of open access transport services through Grand Central Railway and Alliance Rail Holdings

Arriva UK Bus provides urban and regional transport services

Arriva UK Bus – facts and figures



Regions outside London

- Third-largest provider of bus services in regional markets (outside London)
- Entered market in 1996
- 12,800 employees
- Management of a fleet of 4,550 buses
- Individual on-demand transport services for airports, airlines, municipalities and healthcare sector
- Flexible management of products and services
- Predominantly commercial transport services

London Bus

- One of the market leaders, operating over 20% of bus services
- Entered market in 1980
- 5,800 employees
- Management of a fleet of 1,700 buses
- 400 mn passengers annually
- Tourist travel services
- Mainly transport services ordered by client bodies

DB is the second biggest worldwide transport and logistics services provider

DB SCHENKER

- **2,000** locations in over 140 countries
- **5,100** freight trains with more than 1 million tons per day through Germany/Europe
- **95** million shipments sent per year via European land transport
- **6** million square meters of storage space around the world

DB Schenker Rail



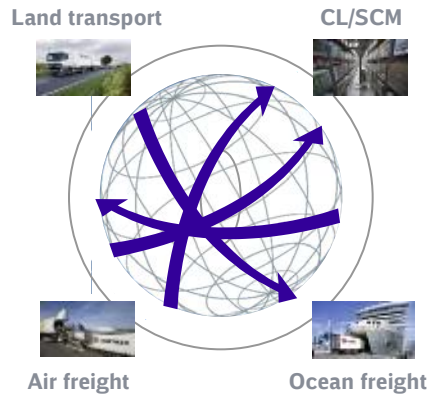
DB Schenker Logistics



DB SL has a broad global customer base and an asset-light business model

DB Schenker Logistics: business model

Network business



- Size is key for a high supply density and for economies of scale when purchasing transport capacity
- Door-to-door solutions thanks to a global presence in 130 countries

Broad customer base



- Approximately 700,000 customers with a wide range of industries
- Large anchor customers and small/medium-sized customers
- Wide range of customers/industries makes business less prone to crisis

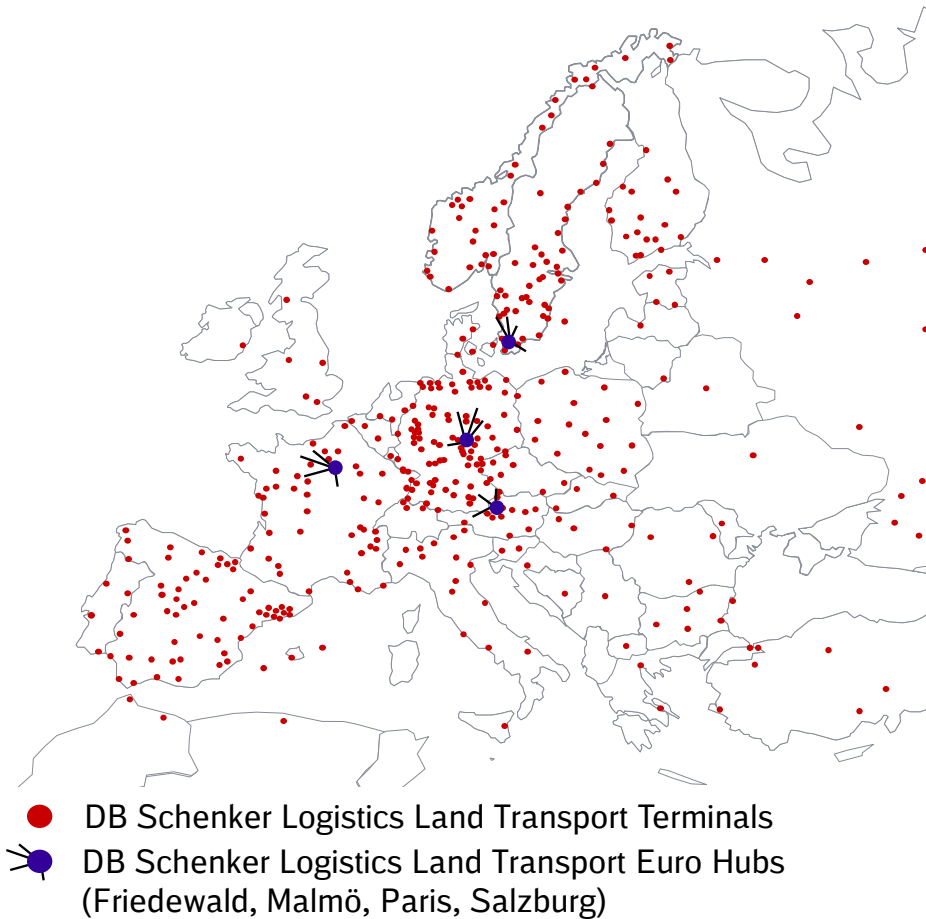
Asset-light business model



- Own vehicles and swap bodies only in parts of land transport
- Predominately leased logistics locations
- Asset-light business model enables flexibility

No other provider links so many places in land transport in Europe as DB SL

Land transport network - Europe



Competitive advantage

- Fully integrated network with 430 operational branches
- More than 720 locations in 36 countries with own national organizations
- 95,5 mn shipments in 2013
- Own fleet with 2,500 trucks and 22,000 loading units
- Daily departures to all European terminals
- Approx. 32,000 scheduled services per week
- Defined door-to-door lead times
- Timely customer information through tracking

DB SL possesses a global network for air and ocean freight solutions

Air freight



- No. 3 worldwide
- Global presence with 700 sites worldwide
- Worldwide network with regional hubs
- Organization of "door-to-door" transports
- 1,200 dedicated charter flights p.a.
- 1.1 mn t air freight volume (exports) 2013

Ocean freight



- No. 3 worldwide
- Global presence with 600 sites worldwide
- Organization of "door-to-door" transport services
- LCL services with 700 direct connections
- 1.9 mn TEU (exports) ocean freight volume in 2013

-
- Preferred-carrier strategy
 - Paperless transport (digital transport documentation)
 - DB Schenker skybridge (combined air and sea traffic)
 - Integrated Cargo Management (ICM)

DB SL takes advantage of attractive market opportunities in contract logistics

Contract logistics/supply chain management

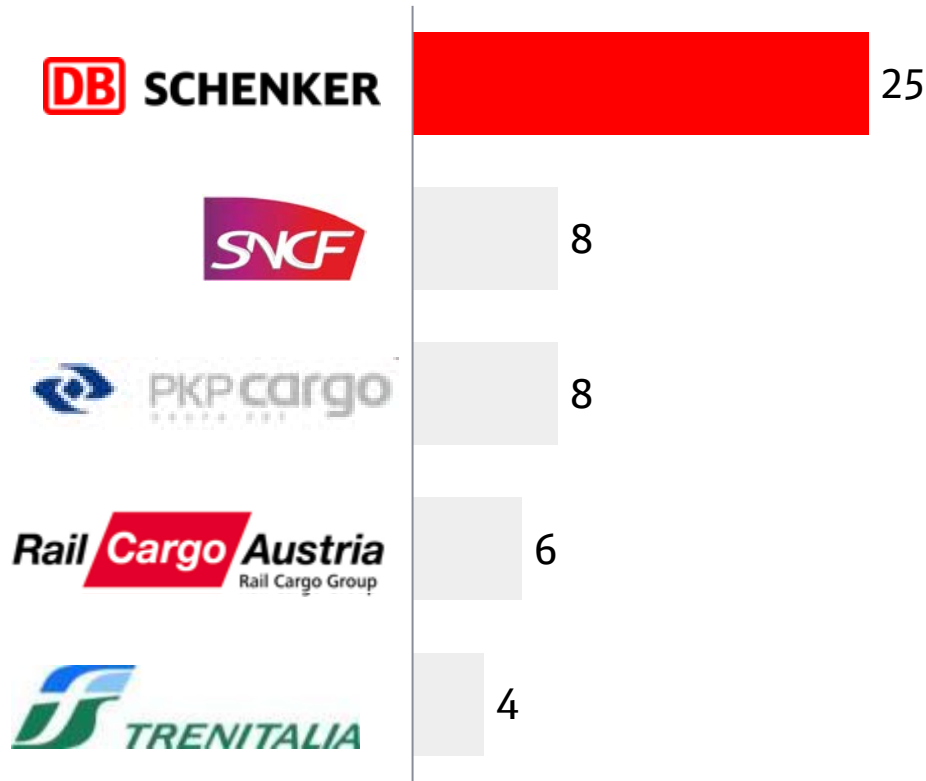


- Global presence in 50 countries
- 570 locations in all
- 6.2 million m² warehouse space
- Products along the supply chain: procurement - warehousing - fulfillment - value-added services - aftermarket/reverse
- Focus on industry branches:
 - Automotive
 - Consumer
 - Electronics
 - Healthcare
 - Industrial
- FLEX global business excellence program

DB Schenker Rail is perfectly positioned in Europe

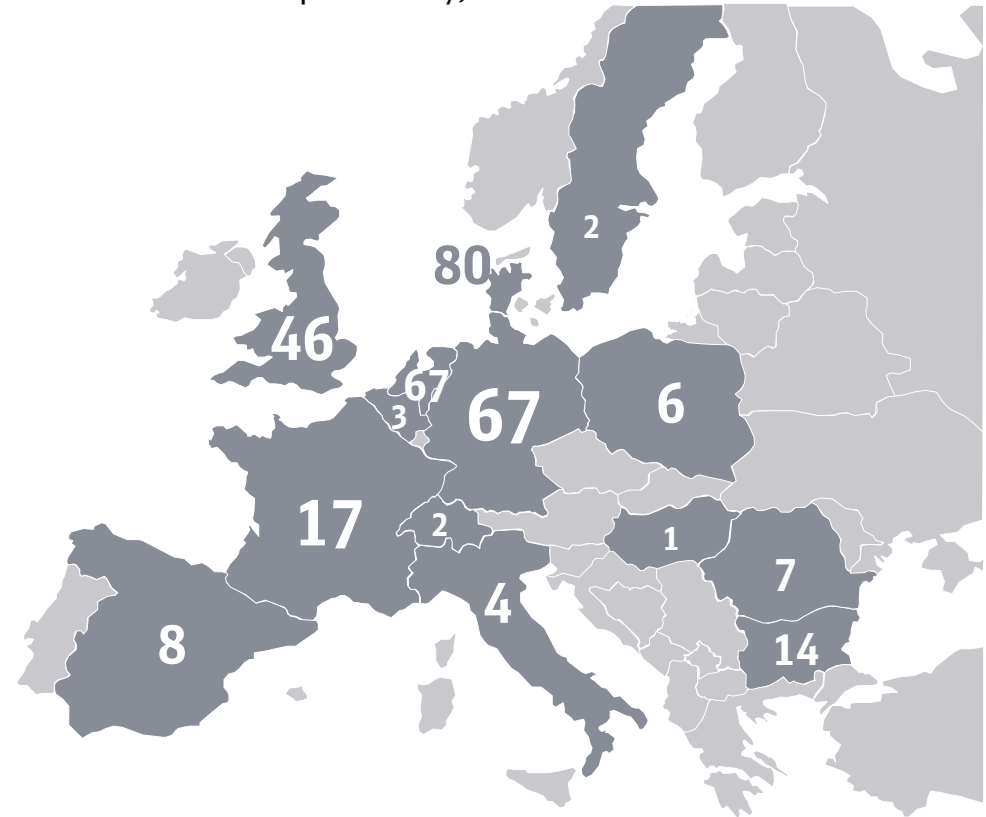
Leading position in Europe...

Market share 2013, % based on tkm



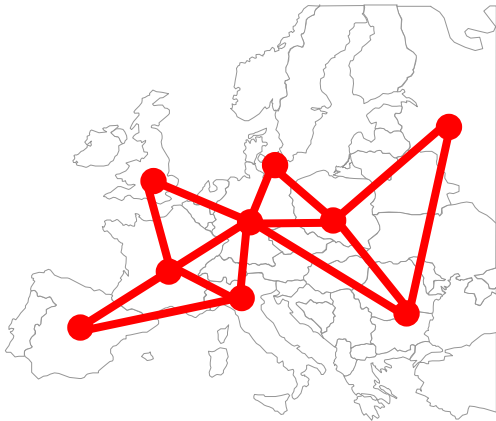
...and in individual markets

Market share 2013 per country, % based on tkm



Significant core factors shape the business model of DB Schenker Rail

European network



- International network alongside the major European rail freight corridors
- Organizational benefits from scale effects through size

Clear sector and customer focus



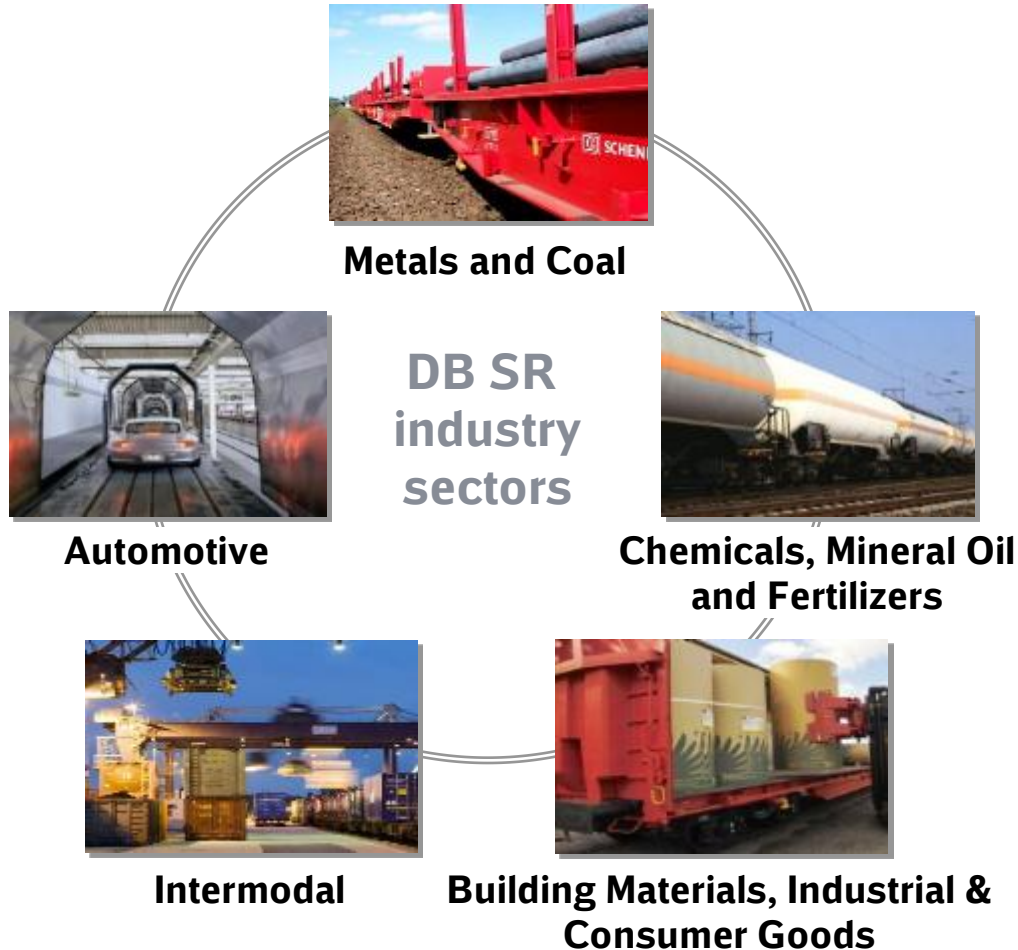
- Key industrial sectors: steel & coal, chemicals, automotive
- Crude steel production as an important driver of results
- Business mainly driven by key accounts

High asset investment



- Own production
- Fleet of over 3,067 locomotives and around 91,930 wagons
- High specialization of rolling stock

DB Schenker Rail offers special industry solutions inline with customer needs



- Over **6,000 customers**
- Over **half of Europe's 50 largest manufacturers** are DB SR customers
- **Cross-border transports** account for about **60% of DB SR's revenue**
- **Strong market position in conventional transports with special services**, e.g. metals and coal, chemicals and automotive

DB operates the biggest rail network in the heart of Europe

DB NETZE

- **5,700** train stations serve as railway gateways in Germany
- **33,400** km long rail network – three times as long as the German Autobahn network
- **48,800** heated switches out of a total of 70,000
- **5th** largest provider of energy in Germany – annual volume of available energy equal to energy consumed by Berlin metropolitan area

DB Netze Track



DB Netze Stations



DB Netze Energy



DB Netze Projects¹

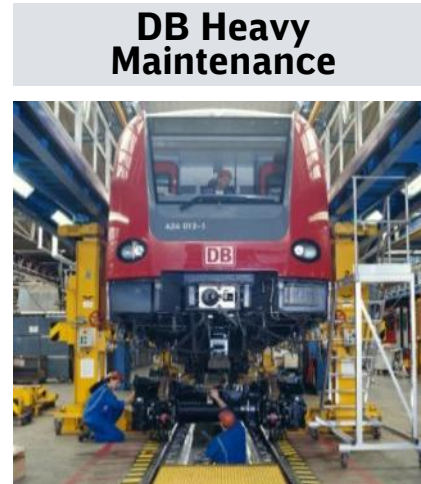
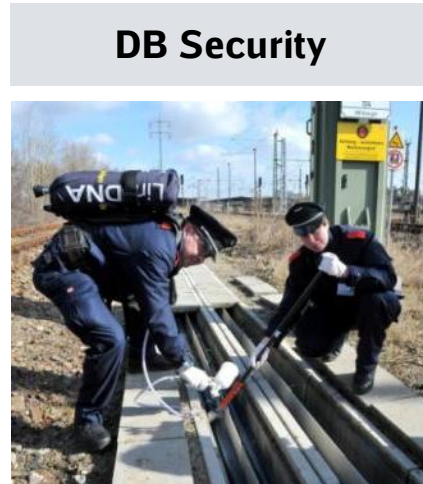
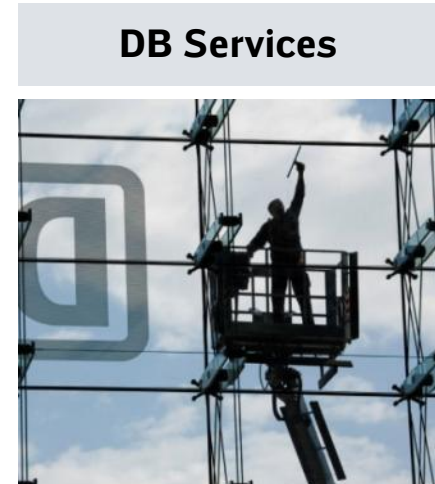
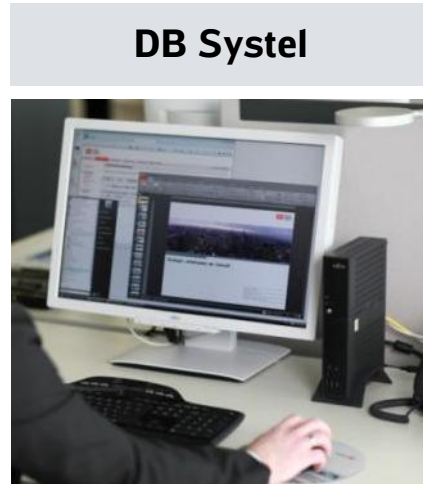


¹ DB Netze Projects is a service center within the Infrastructure division

DB Services is DB's domestic internal service provider

DB Services

- **8,500**
"Call a bikes" in numerous major cities make us Germany's largest bicycle rental company
- **12**
facilities provide technical support for 4,300 locomotives and 3,750 railcars
- **500**
IT applications for DB Group
- **3,700**
security personnel in trains and at stations ensure the safety of our customers



Thinking beyond railway in Germany as key to success

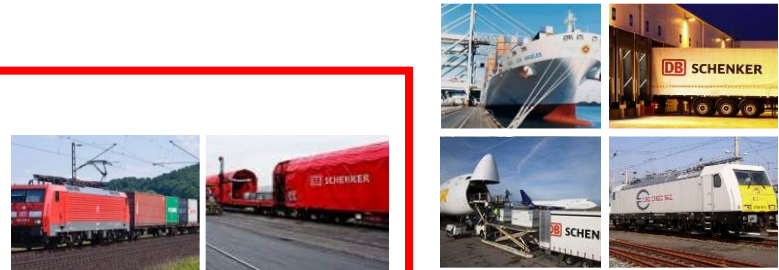
DB Group's fundamental concept



Passenger Transport



Transport and Logistics



Railway in Germany



Infrastructure

Growth with interconnected and eco-friendly solutions

Customer



- Future brings digitalization and interconnectedness, with customers increasingly open to intermodal mobility and logistics solutions - if those are smart and straightforward
- Sustainable consumption and declining car use, coupled with a drop in purchasing power for mobility services, mean that public transport is likely to grow further

Society



- Earth's population is growing while more and more people move to cities; increasing demand for infrastructure-efficient and zero-carbon mobility and logistics services
- Europe's workforce is shrinking; the younger generation is more diverse and motivated to perform, but also increasingly interested in meaningful work; only the best employers can succeed in the competition for talent

Growth as a result of liberalization and the rise of emerging markets

Government



Sovereign debt



Liberalization



Electricity turnaround



Regulatory framework



Rethinking transport planning

- Governmental institutions are imposing tighter regulations; the public is increasingly getting involved, e.g. in infrastructure projects
- The electricity turnaround means a shift to renewable sources of power; transport markets continue to open up for competition
- Sovereign debt is making it harder to fund transport projects; at the local level, however, people are rethinking transport planning, with a shift to more interconnected and eco-friendly modes

Economy



New value added architectures in logistics



Rise of emerging markets



Increasing regionalization of trade flows



Real economic volatility



Oil shortage



Climate change

- Climate change and oil shortages are becoming reality; the risk of external shocks is rising; the economy is becoming more volatile overall
- Growth continues in emerging markets, in large parts due to continued population growth; new, robust domestic markets are emerging
- Rising importance of regional trade flows offers growth opportunities for logistics



DB2020: Our compass – even in challenging times

Vision:


We are becoming the world's leading mobility and logistics company
(sustainable business success and social acceptance)

Dimensions

Strategic directions

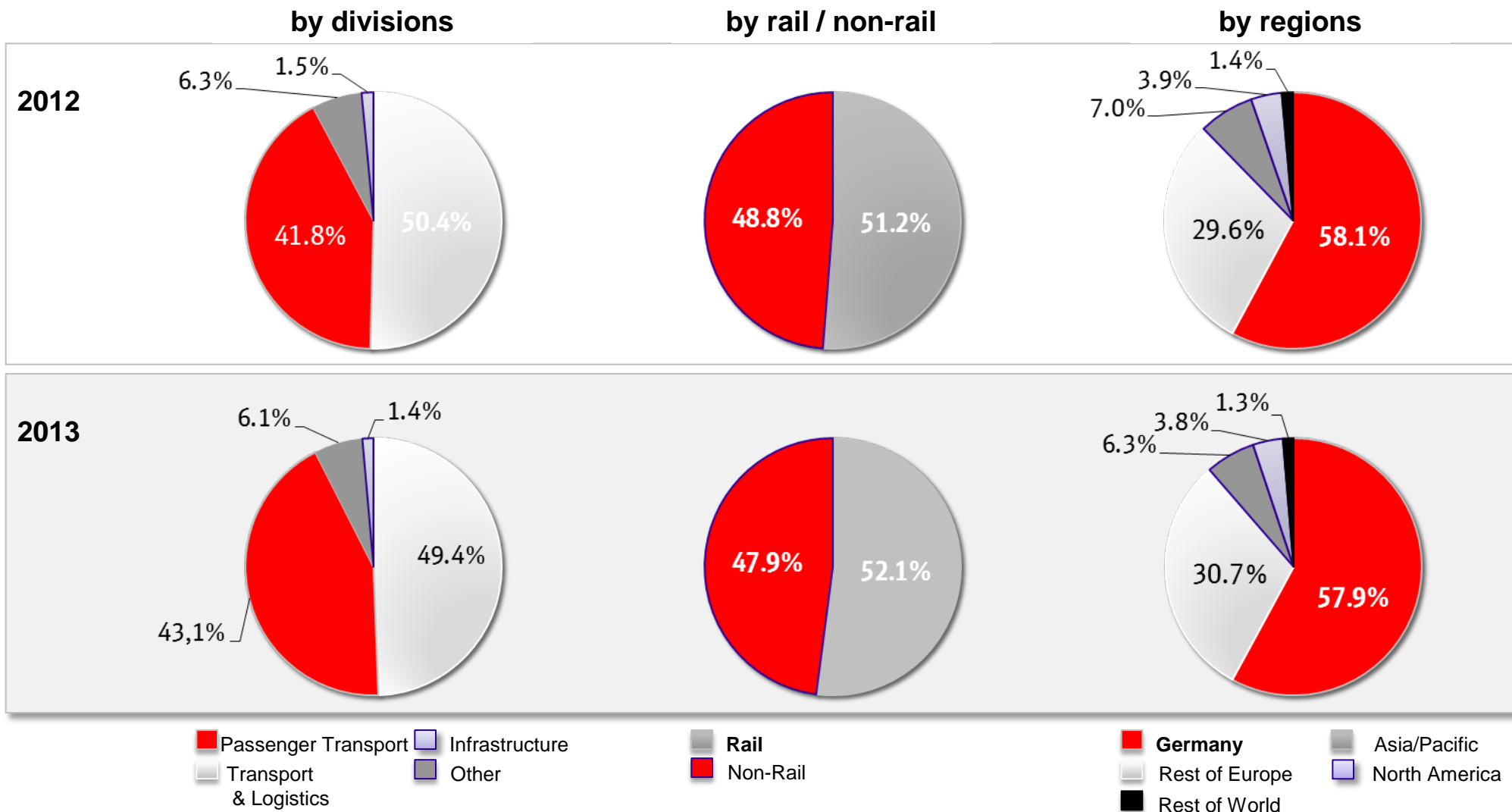


Mixed revenue development on business unit level

 Total revenues (€ mn)	2013 effective	Adjustments			2013 comp.	2012 comp.	Change	
		Consol. ²⁾	FX	Reclas-sification			€	%
DB Bahn Long-Distance	4,083	-	0	-	4,083	4,074	+9	+0.2
DB Bahn Regional ¹	8,839	-	-	-	8,839	8,908	-69	-0.8
DB Arriva	4,180	-167	+118	-	4,131	3,757	+374	+10.0
DB Schenker Rail ¹	4,843	-43	+24	-	4,824	4,926	-102	-2.1
DB Schenker Logistics	14,857	-25	+355	-	15,187	15,386	-199	-1.3
DB Services ¹	3,184	-	-	-	3,184	3,264	-80	-2.5
DB Netze Track ¹	4,769	-	-	-	4,769	4,716	+53	+1.1
DB Netze Stations	1,119	-	-	-	1,119	1,102	+17	+1.5
DB Netze Energy ¹	2,775	-	-	-	2,775	2,870	-95	-3.3
Other/consolidation ¹ /transition	-9,530	+14	-	-230	-9,746	-9,710	-36	+0.4
DB Group	39,119	-221	+497	-230	39,165	39,293	-128	-0.3


¹ Previous year's figure adjusted for reconciliation from other operating income to revenues, ² Changes in the scope of consolidation

Revenue structure by divisions, activities and regions




* Figures adjusted for effect of reclassification of other operating income to revenues.

Declining EBIT development on business unit level

 (€ mn)	EBIT adjusted			Operating income after taxes			Extra ordinary result
	2013	2012	Change absolute	2013	2012	Change absolute	2013
DB Bahn Long-Distance	323	364	-41	324	372	-48	-
DB Bahn Regional	777	882	-105	732	832	-100	-
DB Arriva	245	238	+7	198	205	-7	-104
DB Schenker Rail	57	87	-30	-32	1	-33	12
DB Schenker Logistics	335	418	-83	298	381	-83	3
DB Services	29	84	-55	18	68	-50	-8
DB Netze Track	665	894	-229	266	453	-187	-200
DB Netze Stations	229	230	-1	181	169	+12	-
DB Netze Energy	71	91	-20	56	74	-18	-45
Other/consolidation	-495	-580	+85	-647	-712	+65	-36
DB Group	2,236	2,708	-472	1,394	1,843	-449	-378

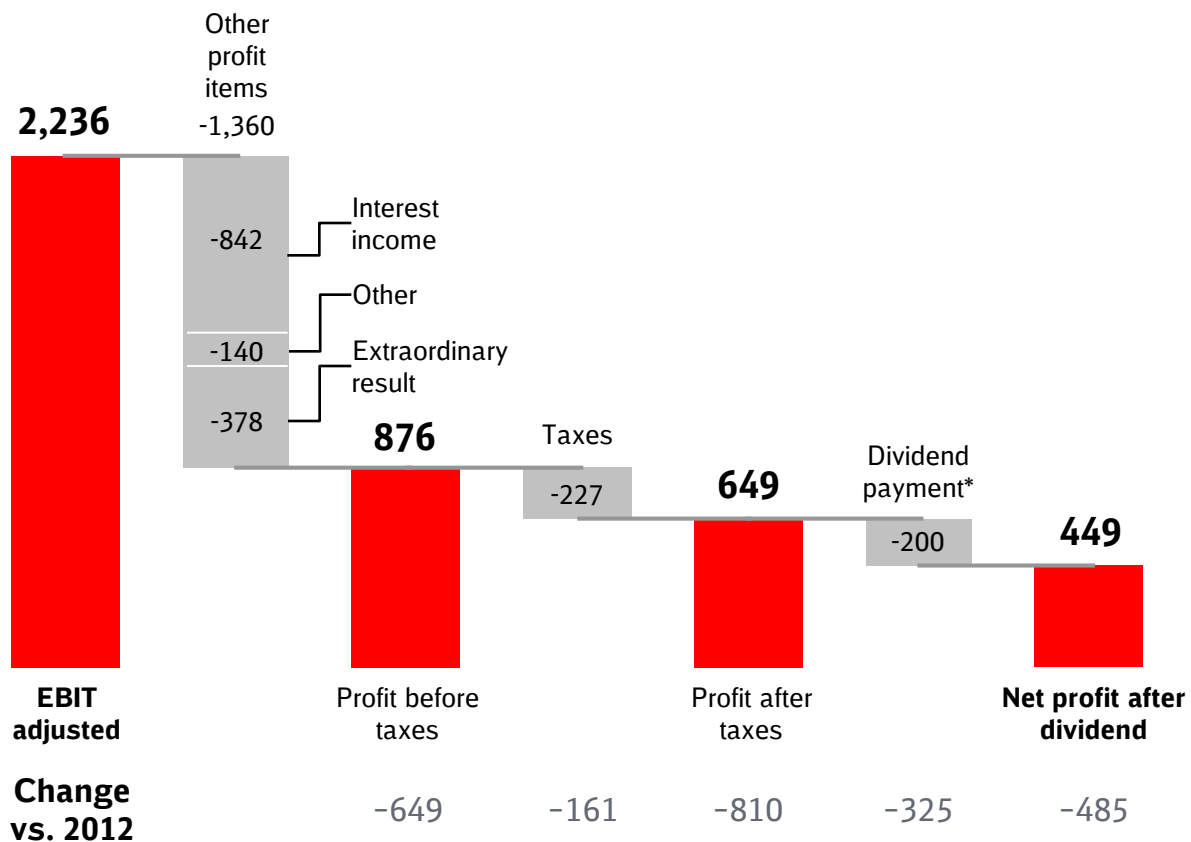
Differentiated EBITDA development by business units

 EBITDA adjusted (€ mn)	2013	2012	Changes by business units (€ mn)	
DB Bahn Long-Distance	649	684	-35	-5.1%
DB Bahn Regio	1,337	1,439	-102	-7.1%
DB Arriva	467	425	+42	+9.9%
DB Schenker Rail	352	389	-37	-9.5%
DB Schenker Logistics	518	609	-91	-14.9%
DB Services	211	253	-42	-16.6%
DB Netze Track	1,556	1,822	-266	-14.6%
DB Netze Stations	363	359	+4	+1.1%
DB Netze Energy	161	173	-12	-6.9%
Other/consolidation	-475	-552	+77	-13.9%
DB Group	5,139	5,601	-462	-8.2%

Dividend payment in line with profit development



Profit items below EBIT
€ mn



*Dividend for the 2013 financial year, paid in 2014.

Straight targets for yield management and creditworthiness

ROCE

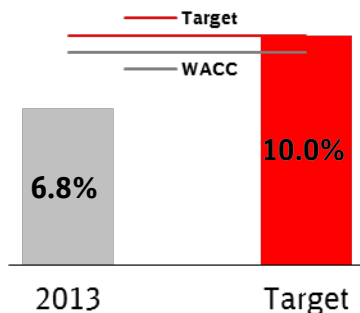
Calculation

$$= \frac{\text{EBIT adjusted}}{\text{Capital Employed}}$$

Rationale

- ROCE links requirements of controlling (success control, management instrument) with capital market requirements (derivability, acceptance)

Targets

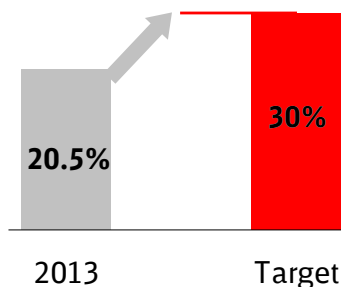


DB Group has to earn its cost of capital (WACC) in the mid-term; value generation: ROCEs > WACCs

Redemption coverage

$$= \frac{\text{Operating cash flow}}{\text{Adjusted net financial debt}}$$

- Connection of cash flow and financial debt
- Key figure in rating assessment process
- Includes off balance sheet transactions

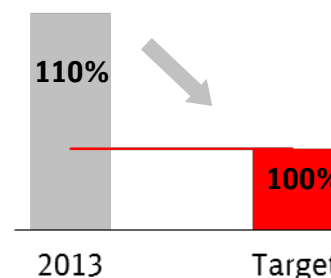


Access to the capital markets/preservation of a broad fixed income investor base
Confirmation of credit ratings in the good investment grade area even on a stand alone basis

Gearing

$$= \frac{\text{Net financial debt}}{\text{Equity}}$$

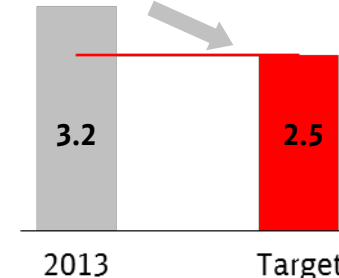
- Debt figure for assessment of financing risks
- Focus on relevant, directly manageable parameters (differently from equity capital quote)



Net financial debt/EBITDA

$$= \frac{\text{Net financial debt}}{\text{EBITDA adjusted}}$$

- Connection of cash flow and financial debt
- Key figure in rating assessment process
- Widely used in investment analysis



Significant improvement in operating profits

 Adjusted income statement (€ mn)	2013	2012	Change	Thereof due to changes in scope of consolidation	Thereof due to exchange rate effects
Revenues	39,119	39,296	-177	+218	-497
Inventory changes and internally produced and capitalized assets	2,649	2,614	+35	-4	-1
Other operating income	2,828	3,008	-180	+6	-22
Cost of materials ¹	-20,366	-20,931	+565	-107	+296
Personnel expenses	-14,382	-13,793	-589	-66	+109
Other operating expenses ¹	-4,709	-4,593	-116	-22	+80
Depreciation	-2,903	-2,893	-10	-15	+9
Operating profit EBIT adjusted	2,236	2,708	-472	+10	-26
Net interest Operating net interest	-842	-865	+23	-1	-3
Operating profit after interest	1,394	1,843	-449	+9	-29
Results from at equity investments investment income	-5	8	-13	-	0
Other financial result	-44	-123	+79	-	+3
PPA-Amortization customer contracts	-91	-82	-9	-	+2
Extraordinary result ²	-378	-116	-262	-	0
Profit before taxes²	876	1,530	-654	+9	-24

¹ Previous year's figure adjusted for effects from the reclassification of other operating expenses to cost of materials. ² Previous year's figure adjusted.

Development of balance sheet

(€ mn, as of Dec 31)

	2013	2012	+/-
Assets			
Non-current assets	43,949	44,241	-292
Property, plant and equipment	37,696	37,630	+66
Intangible assets	4,115	4,186	-71
Deferred tax assets	1,404	1,584	-180
Current assets	8,945	8,284	+661
Trade receivables ¹	4,113	4,202	-89
Cash and cash equivalents	2,861	2,175	+686
Equity and liabilities			
Equity¹	14,912	14,978	-66
Non-current liabilities¹	26,284	25,599	+685
Financial debt	18,066	17,110	+956
Current liabilities	11,698	11,948	-250
Financial debt	1,247	1,503	-256
Trade liabilities	4,379	4,406	-27
Total assets	52,894	52,525	+369

Maturity structure (as of Dec 31, 2013)

Assets	Equity and liabilities
Non-current assets (83%, 2012: 84%)	Equity (28%, 2012: 30%)
Current assets (17%, 2012: 16%)	Non-current liabilities (50%, 2012: 47%)
	Current liabilities (22%, 2012: 23%)
Total € 52.9 bn	Total € 52.9 bn

¹ Previous year's figure adjusted due to the retroactive application of IAS 19.

Highlights first half of 2014

General conditions

- Economic growth continues in Germany, Euro zone still on a weak level
- Global economic growth has improved
- Uncertainties due to sovereign debt crisis are still existing
- Burdens from increasing factor costs in Germany

Passenger Transport

- Positive development in regional transport, long-distance rail transport impacted by tough competition with long-distance bus transport impaired
- DB Arriva: positive development, among other due to first time full inclusion of Veolia Eastern Europe

Transport and Logistics

- Return to positive volume development in rail freight
- Strong performance development in transport and logistics: volume improvements in European land transport, air freight and ocean freight

Infrastructure

- Cost burdens (among other due to damages in connection with a storm)
- Train-path demand slightly higher
- Again higher non-Group train-path demand, share increased to 24.6 %

Positive revenue development in almost all business units



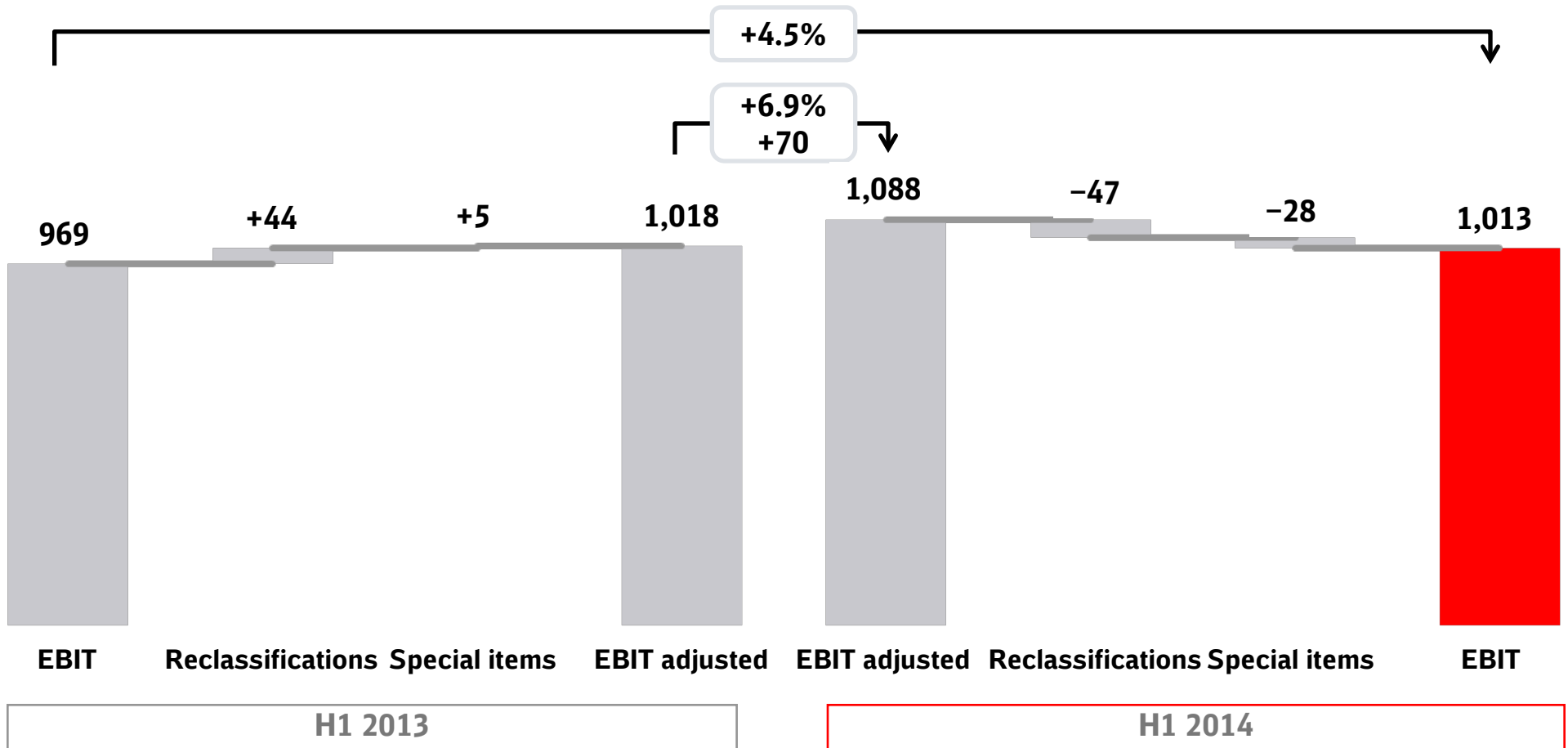
Total revenues (€ mn)

	H1 2014 effective	Adjustments			H1 2014 comp.	H1 2013 comp.	Change	
		Consol. ¹⁾	FX	Recon- ciliation			€	%
DB Bahn Long-Distance	1,979	-	-	-	1,979	2,011	-32	-1.6
DB Bahn Regional	4,438	-	-	-	4,438	4,380	+58	+1.3
DB Arriva	2,210	-110	- 36	-	2,064	2,007	+57	+2.8
DB Schenker Rail	2,452	-	- 8	-	2,444	2,410	+34	+1.4
DB Schenker Logistics	7,407	-8	+270	-	7,669	7,402	+267	+3.6
DB Services	1,507	-	-	-	1,507	1,523	-16	-1.1
DB Netze Track	2,425	-	-	-	2,425	2,344	+81	+3.5
DB Netze Stations	589	-	-	-	589	567	+22	+3.9
DB Netze Energy	1,416	-	-	-	1,416	1,393	+23	+1.7
Other/consolidation/transition	-4,689	-	-	-	- 4,689	-4,691	+2	-
DB Group	19,734	- 118	+226	-	19,842	19,346	+496	+2.6

¹⁾ Changes in scope of consolidation.

Positive EBIT development again

EBIT and EBIT adjusted (€ mn)



Largely improved EBIT development on business unit level



(€ mn)

	EBIT adjusted			Operating income after taxes			Extra ordinary result
	H1 2014	H1 2013	Changes absolute	H1 2014	H1 2013	Changes absolute	H1 2014
DB Bahn Long-Distance	123	167	-44	123	168	-45	-
DB Bahn Regional	485	433	+52	462	414	+48	-
DB Arriva	104	94	+10	86	71	+15	-6
DB Schenker Rail	9	-6	+15	-36	-49	+13	+1
DB Schenker Logistics	148	136	+12	127	116	+11	-7
DB Services	28	4	+24	22	-1	+23	-16
DB Netze Track	267	292	-25	64	92	-28	-
DB Netze Stations	136	117	+19	111	93	+18	-
DB Netze Energy	34	35	-1	26	27	-1	-
Other/consolidation	-246	-254	-8	-311	-333	+22	-
DB Group	1,088	1,018	+70	674	598	+76	-28

Significant increase in capital expenditures



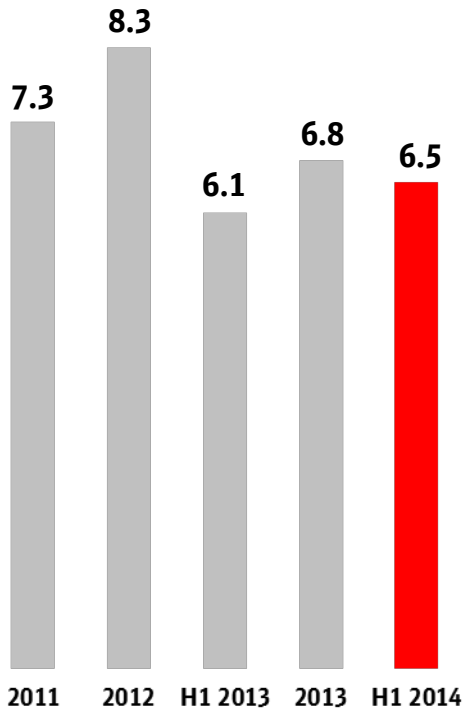
Capital expenditures (€ mn)

	Gross capital expenditures				Net capital expenditures			
	H1 2014	H1 2013	Change		H1 2014	H1 2013	Change	
			€	%			€	%
DB Bahn Long-Distance	116	75	+41	+54.7	116	75	+41	+54.7
DB Bahn Regional	707	469	+238	+50.7	706	467	+239	+51.2
DB Arriva	75	158	-83	-52.2	74	155	-81	-52.3
DB Schenker Rail	78	66	+12	+18.2	78	66	+12	+18.2
DB Schenker Logistics	88	104	-16	-15.4	88	104	-16	-15.4
DB Services	106	104	+2	+1.9	106	104	+2	+1.9
DB Netze Track	1,987	1,993	-6	-0.3	578	485	+93	+19.2
DB Netze Stations	194	241	-47	-19.4	62	103	-41	-39.8
DB Netze Energy	44	32	+12	+37.5	20	18	+2	+11.1
Other/consolidation	19	21	-2	-9.5	19	21	-2	-9.5
DB Group	3,414	3,263	+151	+4.6	1,847	1,598	+249	+15.6

Improvements of key value management figures in comparison to H1 2013

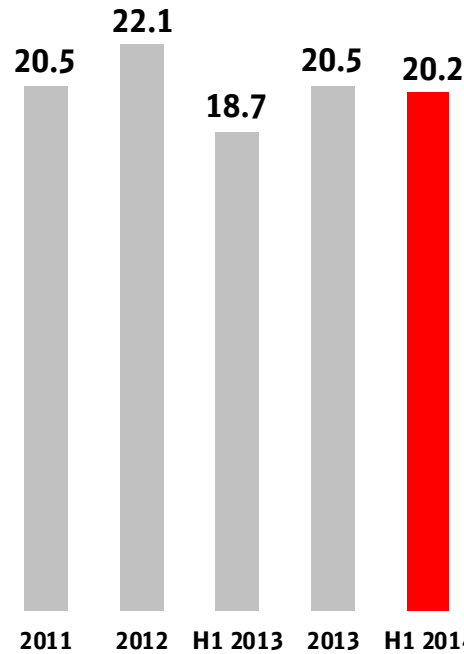
ROCE (%)

Target: 10%



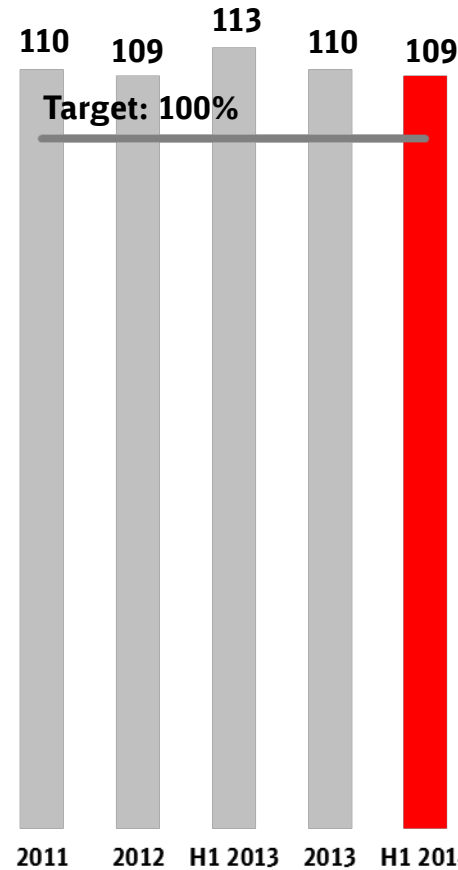
Redemption coverage (%)

Target: 30%



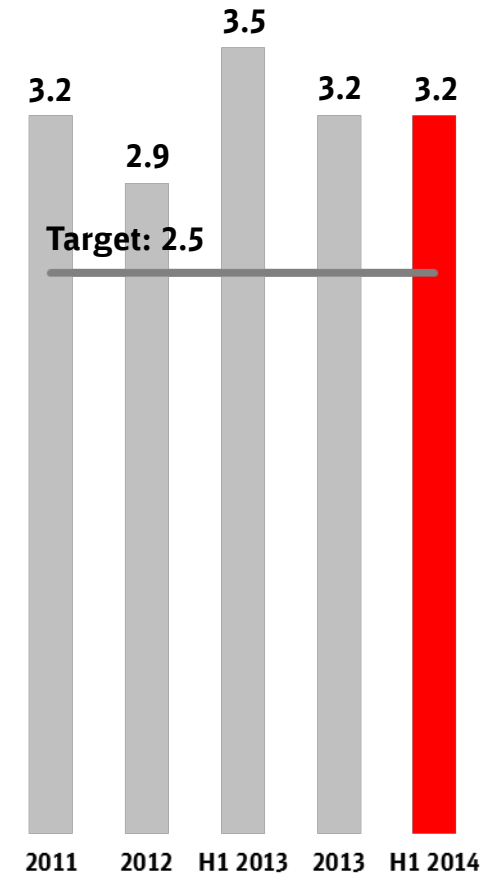
Gearing (%)

Target: 100%



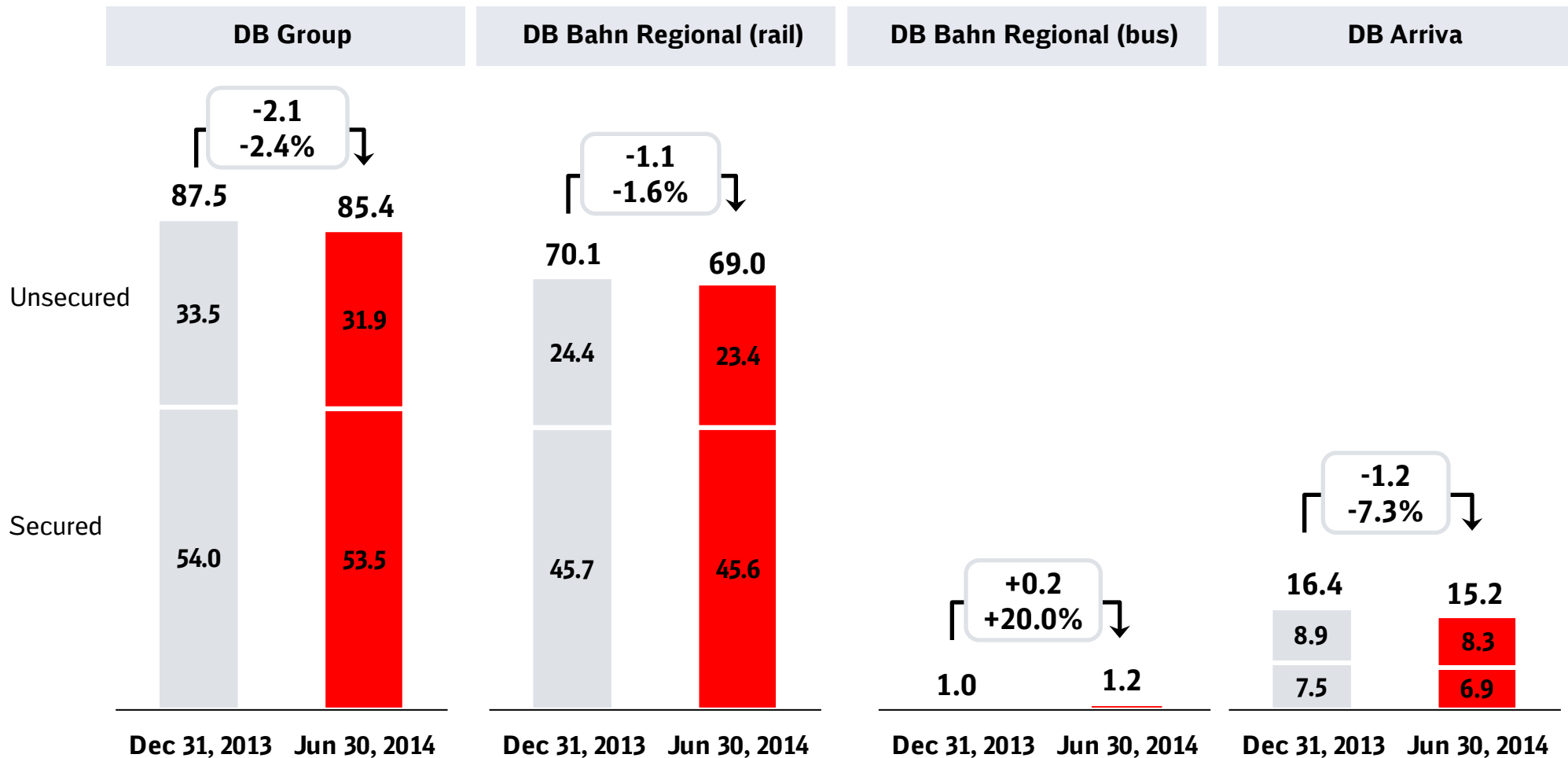
Net financial debt/ EBITDA (multiple)

Target: 2.5



Order book in regional transport decreased

DB order book* (€ bn)



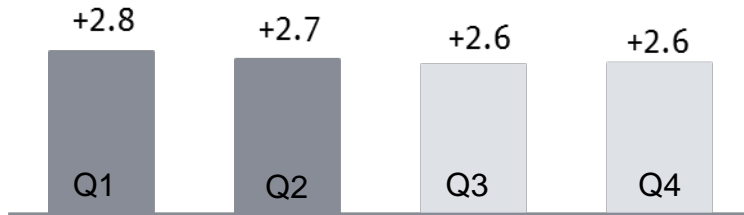
* Secured and unsecured revenues (mostly fare-box revenues).

Expectations for development of GDP in 2014



Gross domestic product (GDP) – compared to previous year (%)

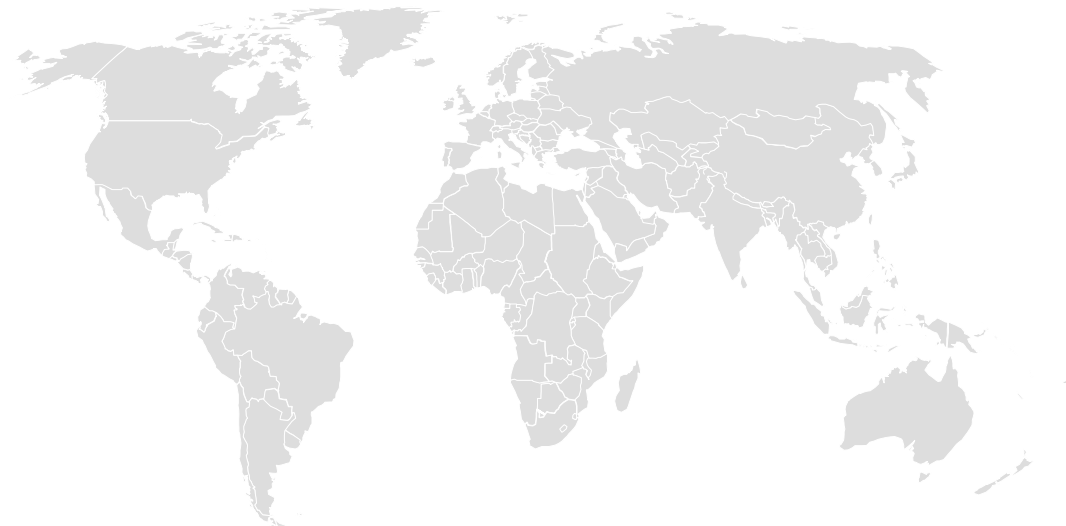
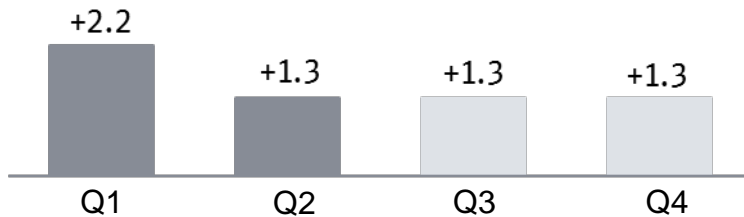
World



Eurozone



Germany



Actual data / estimate
 Forecasts

Rating and financing activities

Ratings

Very good ratings:

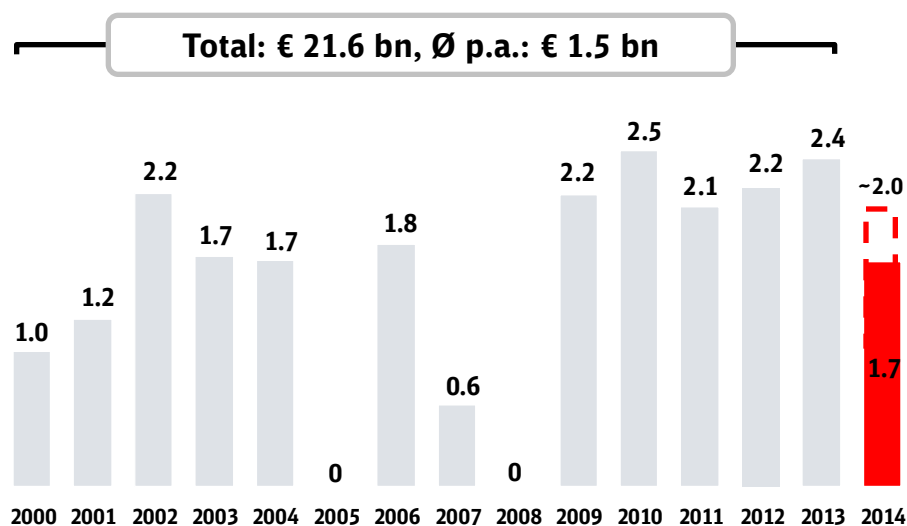
- Moody's: Aa1/stable
- S&P: AA/stable
- Fitch: AA/stable

Key rating driver:

- Improvements in performance, revenues and profits

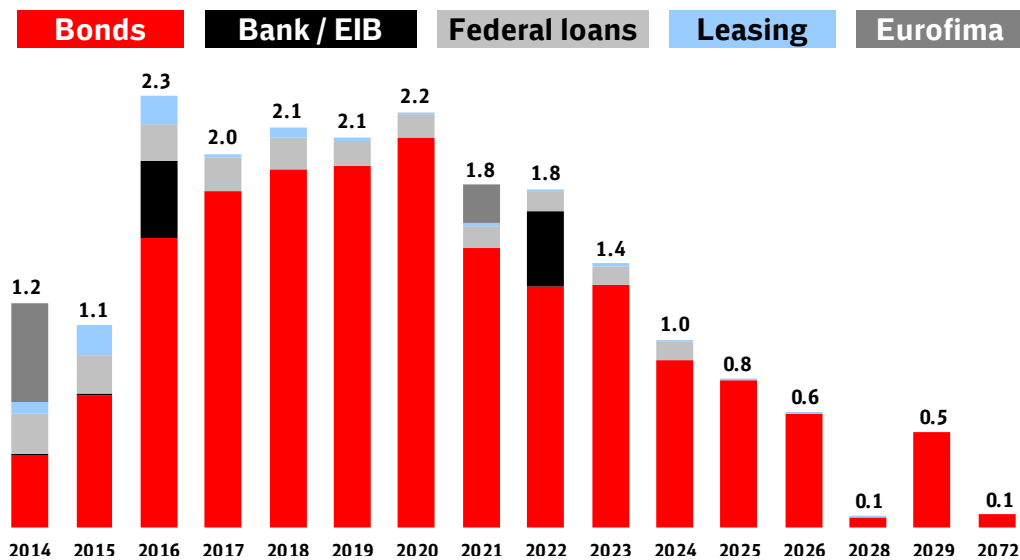
- Stable financial profile, sound financing structure and conservative funding strategy
- DB guarantees overall mobility in Germany and is Europe's largest company providing integrated mobility, transport and logistics services
- Federal obligations resulting from Art. 87e German Constitution
 - "Infrastructure obligations": High share in funding of infrastructure capex in Germany,
 - "Public interest obligations": Funds for ordering local passenger transport services in Germany, amounting to around € 7 bn p.a.
 - Privatization threshold: constitutionally mandated Federal majority shareholding ("ownership clause")

Bond issues (€ bn)



Maturity profile financial liabilities

(as of September 1, 2014; € bn; incl. swaps)



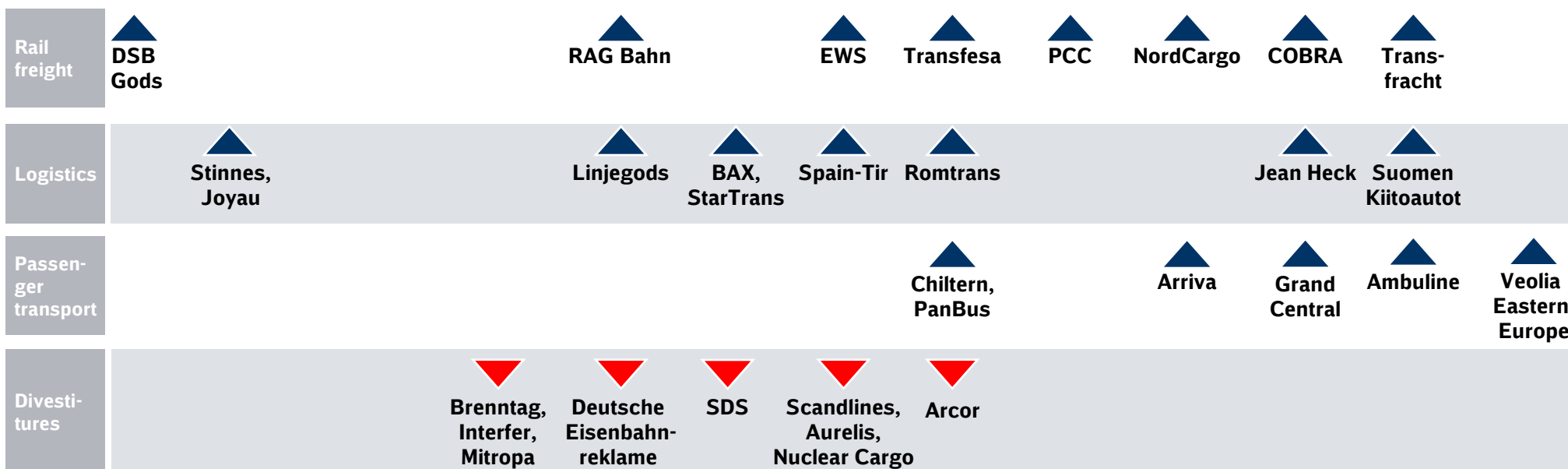
Track record driven by restructuring programs and portfolio measures

Driver of changes in DB Group

(1) Internal - Group programs



(2) External - major portfolio changes: total M&A transactions (EqV) of about € 11 bn (€ 4 bn divestitures and € 7 bn acquisitions)



Profitability enhanced

EBIT adjusted (€ bn)

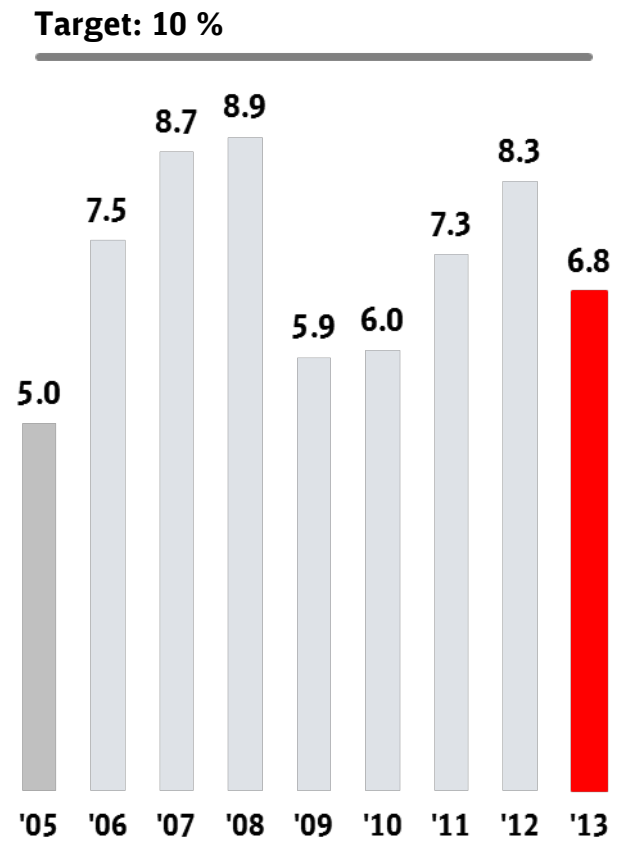
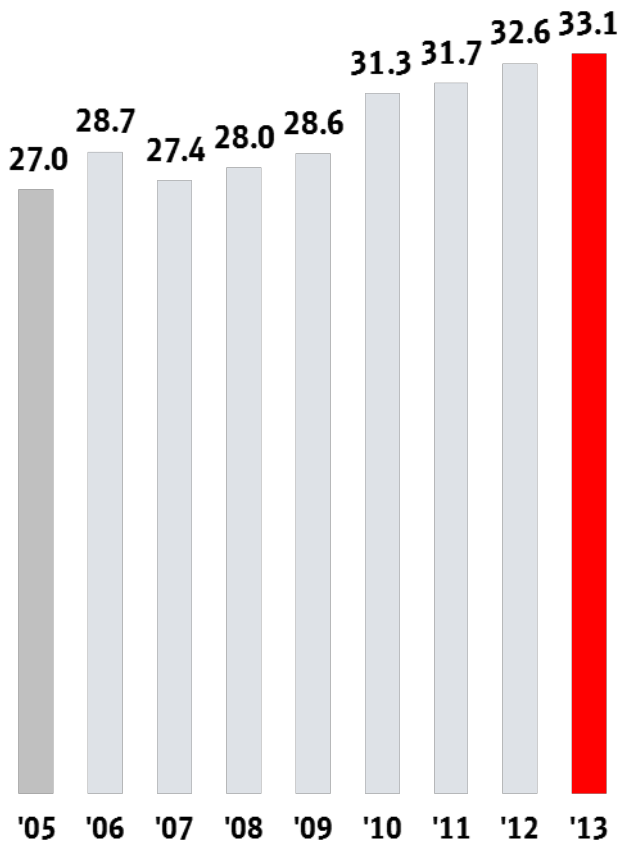
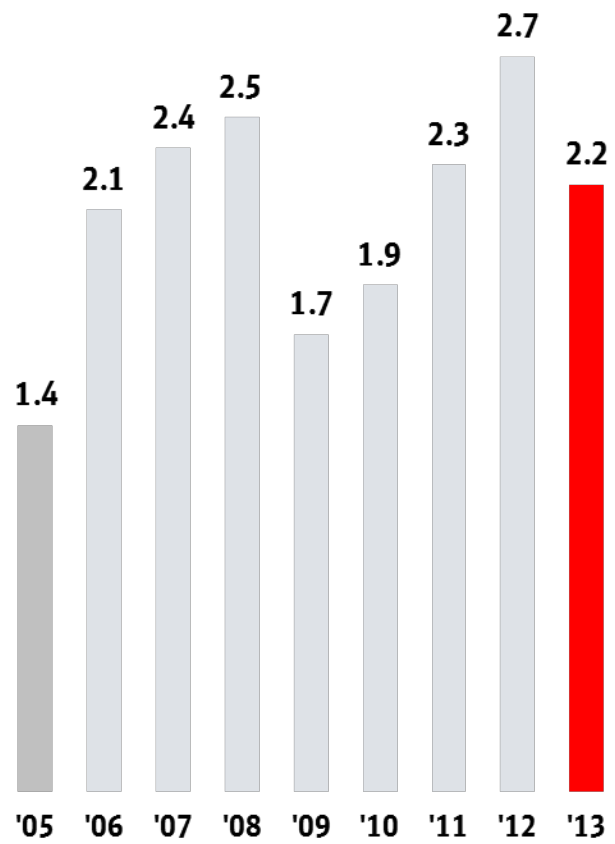
Capital Employed (€ bn)

ROCE (%)

+57 %/€ +0.8 bn

+23 %/€ +6.1 bn

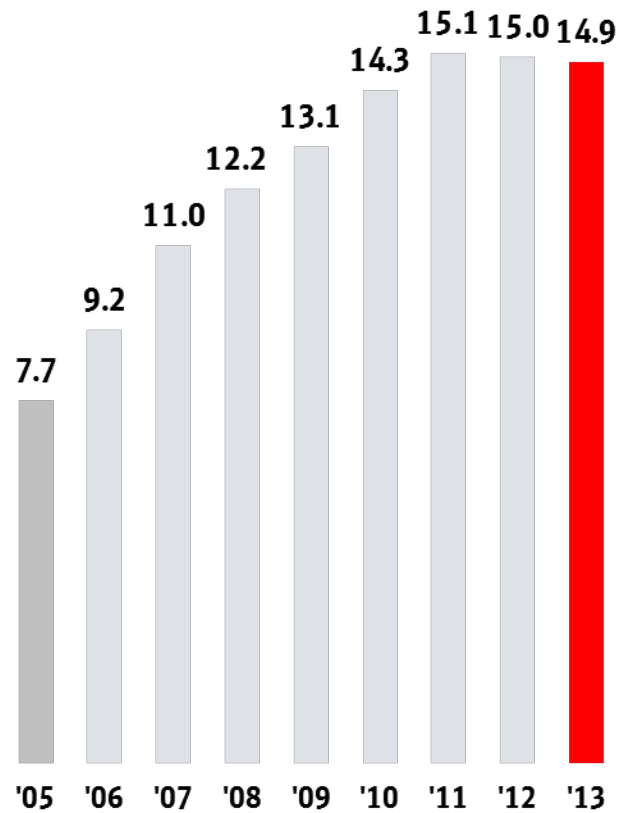
+1.8 %-points



Capital structure strengthened

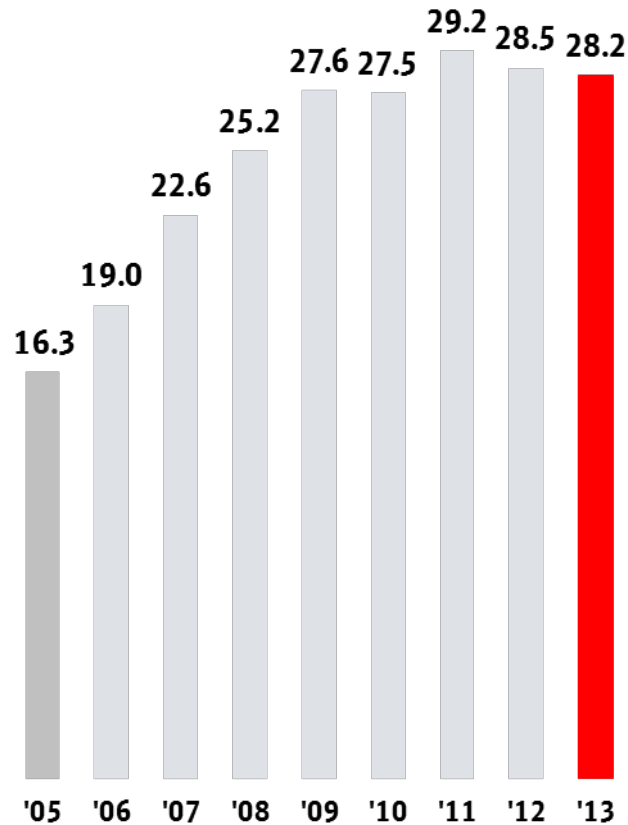
Equity (€ bn)

+94 %/€ +7.2 bn



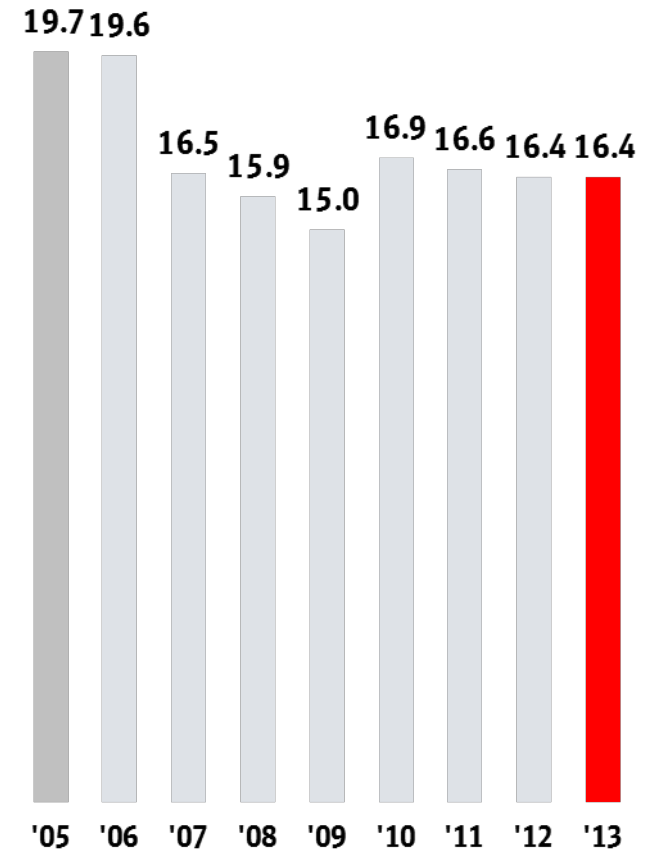
Equity ratio (%)

+11.9 %-points



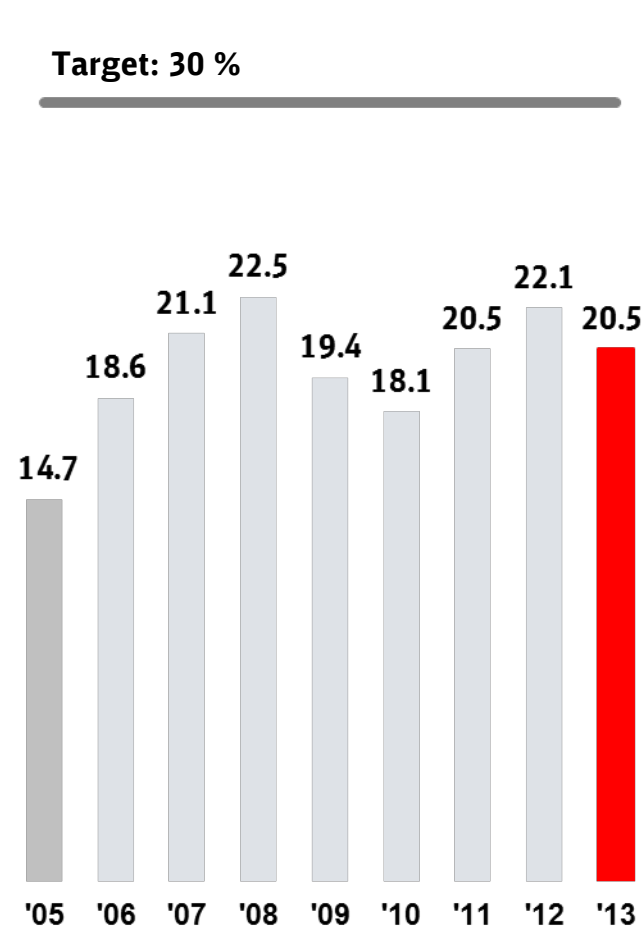
Net financial debt (€ bn)

-16.8 %/€ -3.3 bn

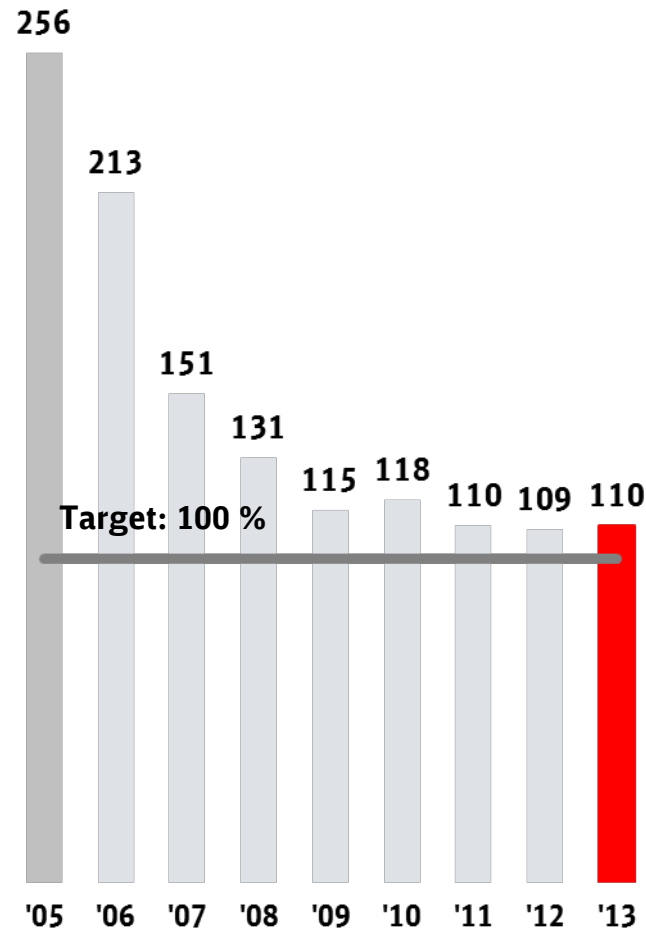


Financial stability improved

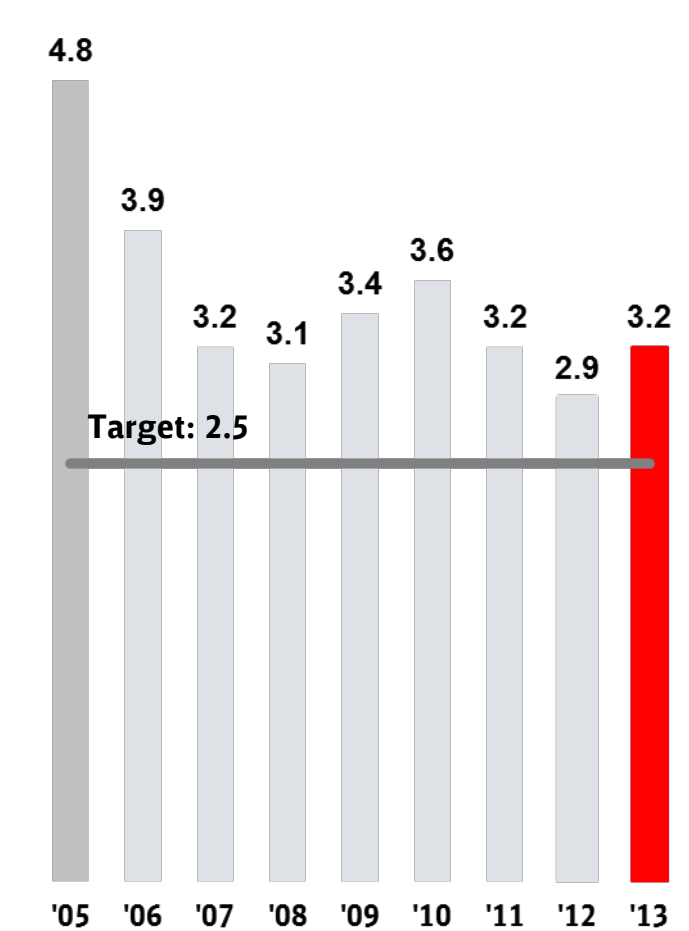
Redemption coverage (%)



Gearing (%)



Net financial debt/ EBITDA (multiple)



Key financials – Track record

Development since 2000

(€ mn)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Rail passenger transport performance (mn pkm)	88,746	88,433	79,228	78,582	76,772	77,812	74,792	74,788	72,554	70,260	69,534	69,848	74,459	74,388
Rail freight transport performance (mn tkm)	104,259	105,894	111,980	105,794	93,948	113,634	98,794	96,388	88,022	89,494	85,151	82,756	84,716	85,008
Revenues	39,107	39,296	37,901	34,410	29,335	33,452	31,309	30,053	25,055	23,962	28,228	18,685	15,722	15,465
Profit before taxes	876	1,525	1,359	900	1,387	1,807	2,016	1,555	490	154	-133	-438	-409	37
EBIT adjusted	2,236	2,708	2,309	1,866	1,685	2,483	2,370	2,143	1,350	1,011	465	37	109	450
EBITDA adjusted	5,139	5,601	5,141	4,651	4,402	5,206	5,113	-	-	-	-	-	-	-
Cash flow from operating activities	3,730	4,094	3,390	3,409	3,133	3,539	3,364	3,678	2,652	2,736	-	-	-	-
Total assets	52,894	52,525	51,791	52,003	47,303	48,193	48,529	48,440	47,101	47,616	47,647	46,023	41,962	39,467
Gross capex	8,224	8,053	7,501	6,891	6,462	6,765	6,320	6,584	6,381	7,238	9,121	9,994	7,110	6,892
Net capex	3,412	3,487	2,569	2,072	1,813	2,599	2,060	2,836	2,362	3,251	4,013	5,355	3,307	3,250
Ratings (Moody's/S&P/Fitch)	Aa1 AA/AA	Aa1 AA/AA	Aa1 AA/AA	Aa1 AA/AA	Aa1 AA/AA	Aa1 AA/-	Aa1 AA/-	Aa1 AA/-	Aa1 AA/-	Aa1 AA/-	Aa1 AA/-	Aa1 AA/-	Aa1 AA/-	Aa1 AA/-
Employees (as of Dec 31)	295,653	287,508	284,319	276,310	239,382	240,242	237,078	229,200	216,389	225,632	242,759	250,690	214,371	222,656

DB road show team



- Wolfgang Reuter
Group Treasurer,
Head of Mergers and
Acquisitions



- Robert Allen Strehl
Head of Investor Relations



- Sascha Friedrich
Senior Manager
Investor Relations



- Hartwig Schneidereit
Head of Capital
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