

# Balance Sheet Press Conference 2005 Financial Year

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Deutsche Bahn AG

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Chief Financial Officer

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Diethelm Sack

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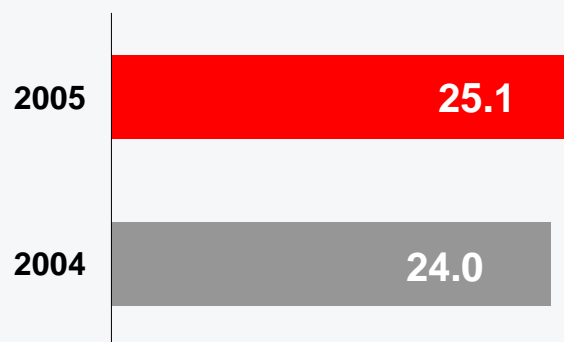
Berlin, March 31, 2006

# Successful 2005 Financial Year

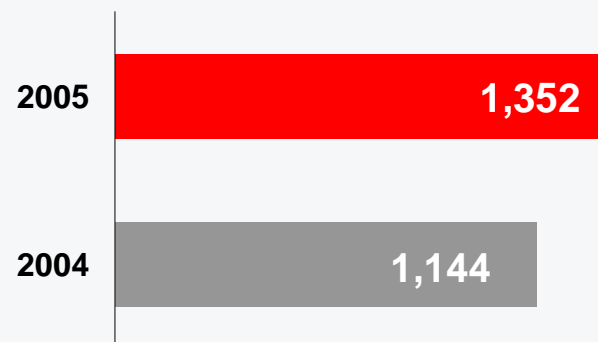
## Highlights

- ✓ Successful development of our business: revenue increase to €25.1 bn
- ✓ Further progress due to our internal programs
- ✓ EBIT-growth by 18.2% to €1,352 mn
- ✓ ROCE-increase to 5.0%
- ✓ Operating income after interest forecast outreached

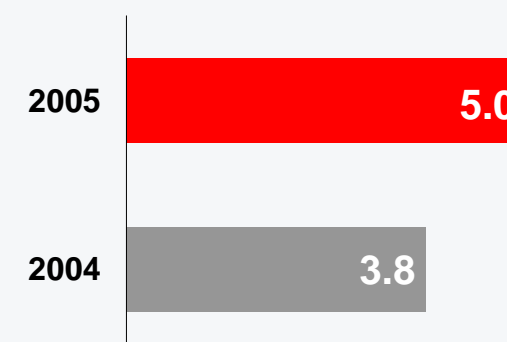
### Revenues (€bn) ↗



### EBIT (€ mn) ↗



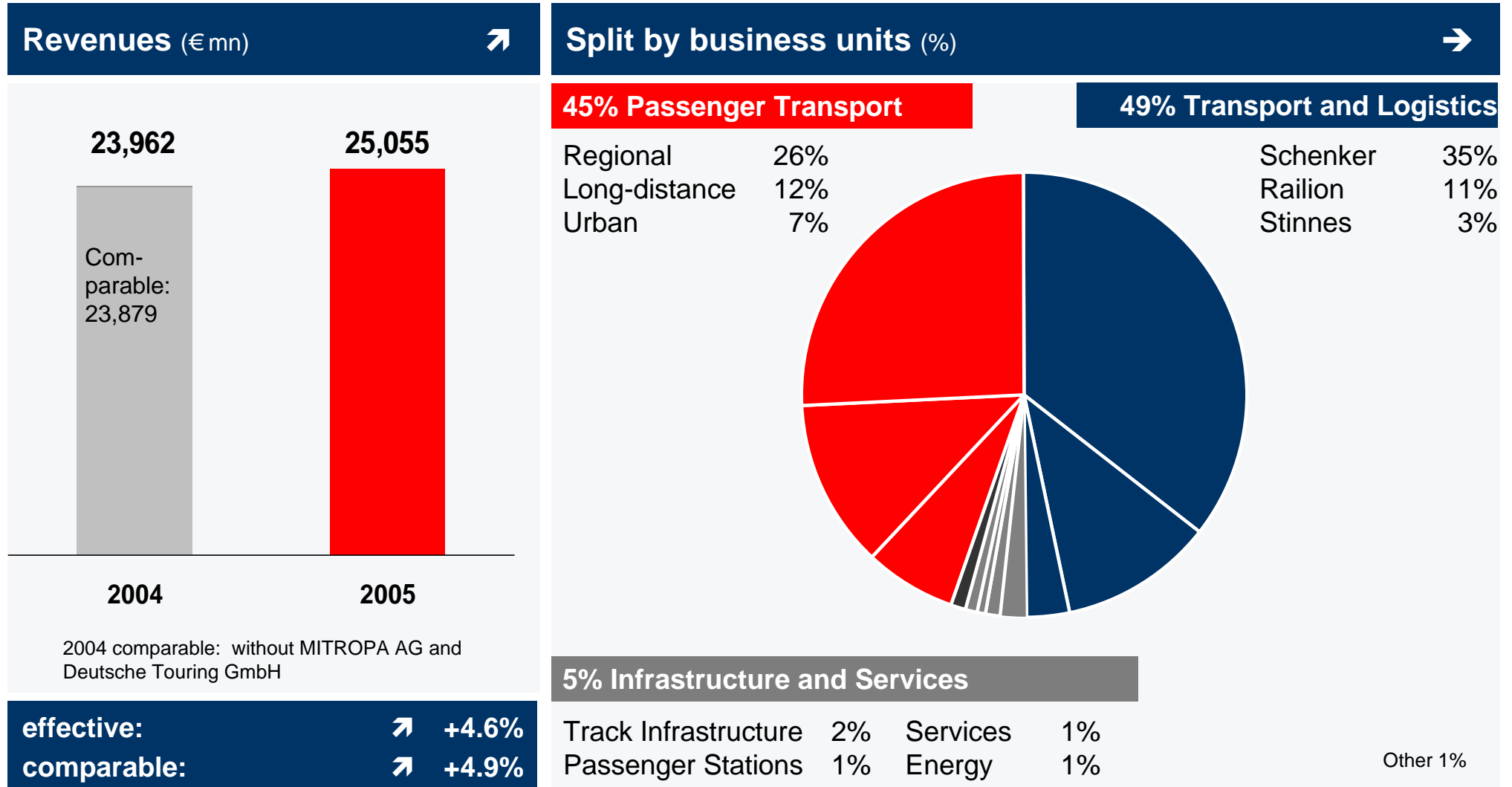
### ROCE (%) ↗



# General remarks

<p><b>Market environment</b></p> <p>→</p>	<p><b>Economic environment only moderate</b></p> <ul style="list-style-type: none"> <li>→ Slight recovery in Germany</li> <li>↗ Schenker benefits from stronger GDP growth in international markets, e.g. Asia / North-America</li> <li>↘ Significant burden from higher energy prices</li> </ul>	<table border="1"> <thead> <tr> <th>D GDP</th> <th>2004</th> <th>2005</th> </tr> </thead> <tbody> <tr> <td>Germany</td> <td>+1.6%</td> <td>+0.9%</td> </tr> <tr> <td>Euro-Zone</td> <td>+1.8%</td> <td>+1.4%</td> </tr> <tr> <td>China</td> <td>+9.7%</td> <td>+9.5%</td> </tr> <tr> <td>World</td> <td>+3.9%</td> <td>+3.0%</td> </tr> </tbody> </table>	D GDP	2004	2005	Germany	+1.6%	+0.9%	Euro-Zone	+1.8%	+1.4%	China	+9.7%	+9.5%	World	+3.9%	+3.0%
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<p><b>Competition</b></p> <p>→</p>	<p><b>High level of competition</b></p> <ul style="list-style-type: none"> <li>■ High level of intra- and intermodal competition in rail freight and passenger transport</li> <li>■ Ongoing consolidation process in logistics markets</li> </ul>																
<p><b>Infrastructure utilization by non-Group customers</b></p> <p>↗</p>	<p><b>Further increase in utilization of DB infrastructure by non-Group railways</b></p>	<table border="1"> <thead> <tr> <th colspan="3">Non-Group railways</th> </tr> </thead> <tbody> <tr> <td>Number (approx.)</td> <td>290</td> <td>300</td> </tr> <tr> <td>Train-path km (mn)</td> <td>88</td> <td>+25% 110</td> </tr> </tbody> </table>	Non-Group railways			Number (approx.)	290	300	Train-path km (mn)	88	+25% 110						
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<p><b>Comparability of FY 2005</b></p>	<p><b>Portfolio stability: Success in FY 2005 from organic growth</b></p> <ul style="list-style-type: none"> <li>■ Group portfolio without major changes compared to the previous year</li> <li>■ BAX Global to be included in consolidated financial statements in FY 2006</li> </ul>																

# Revenue increase based on a well balanced portfolio structure



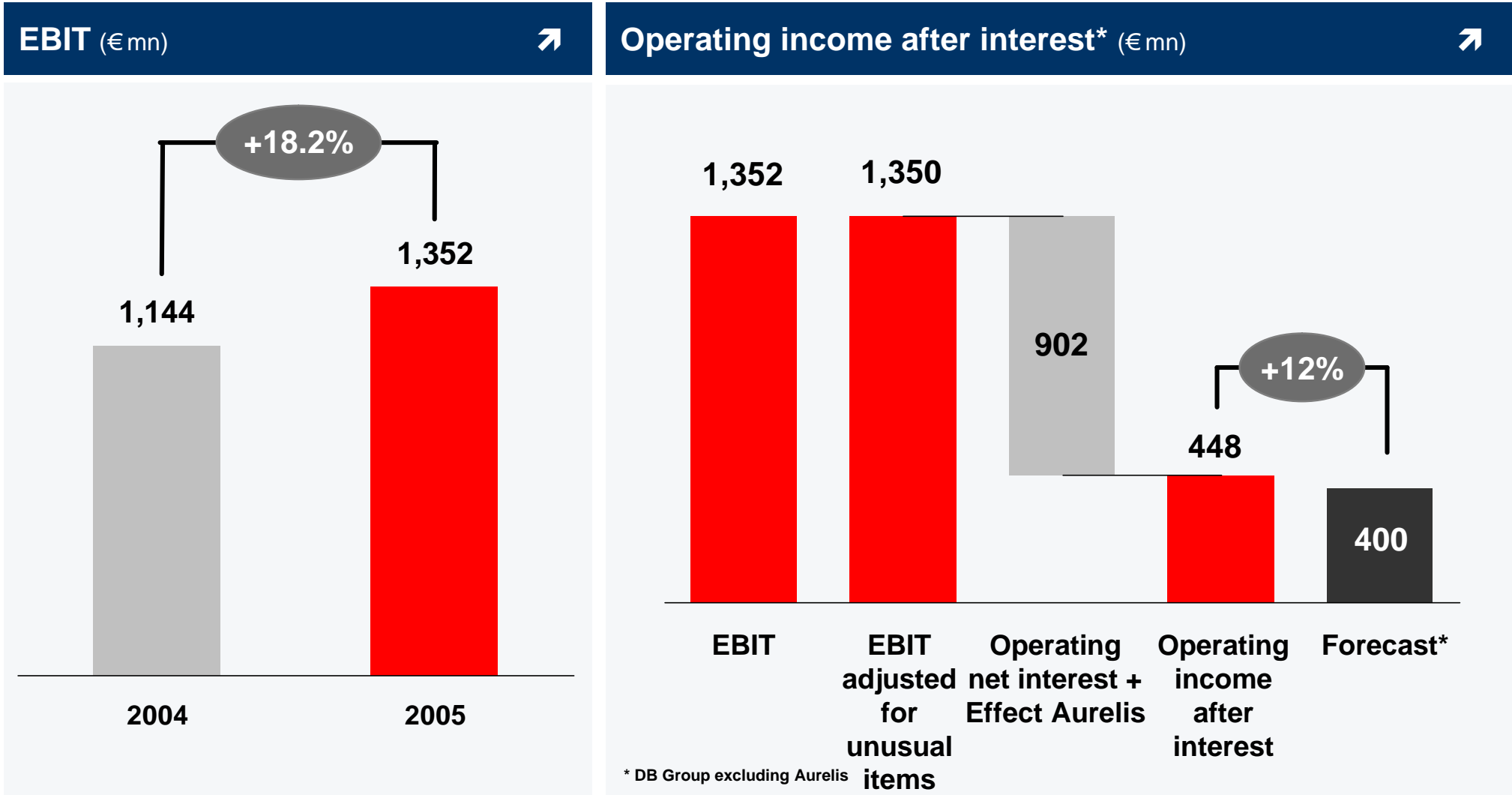
## Schenker and Long-distance business units major drivers of revenue growth

Revenues (€ mn)	2004	2005	+/-	Highlights
Long-distance	2,922	3,068	+146	<ul style="list-style-type: none"> <li>■ <b>Long-distance:</b> Positive response of customers to attractive offerings and high-speed links</li> <li>■ <b>Regional:</b> Positive development despite loss of high-frequented lines through tender processes</li> <li>■ <b>Schenker:</b> Again strong growth – significant increases in particular in air and sea freight</li> <li>■ <b>Railion:</b> Partial shift of revenues to Stinnes. Unfavorable development in important market segments</li> <li>■ <b>Track Infrastructure / Passenger Stations:</b> Increased utilization of DB infrastructure by non-Group railways</li> <li>■ <b>Energy:</b> Expansion of energy services offerings and effects from price developments on (global) energy markets</li> </ul>
Regional	6,437	6,452	+15	
Urban	1,688	1,708	+20	
Schenker	8,024	8,878	+854	
Railion	2,907	2,830	-77	
Stinnes	638	718	+80	
Track Infrastructure	480	511	+31	
Passenger Stations	268	287	+19	
Services	163	124	-39	
Energy	131	207	+76	
Other / consolidation	304	272	-32	
<b>Total</b>	<b>23,962</b>	<b>25,055</b>	<b>+1,093</b>	

## P&L statement: further profitability improvements

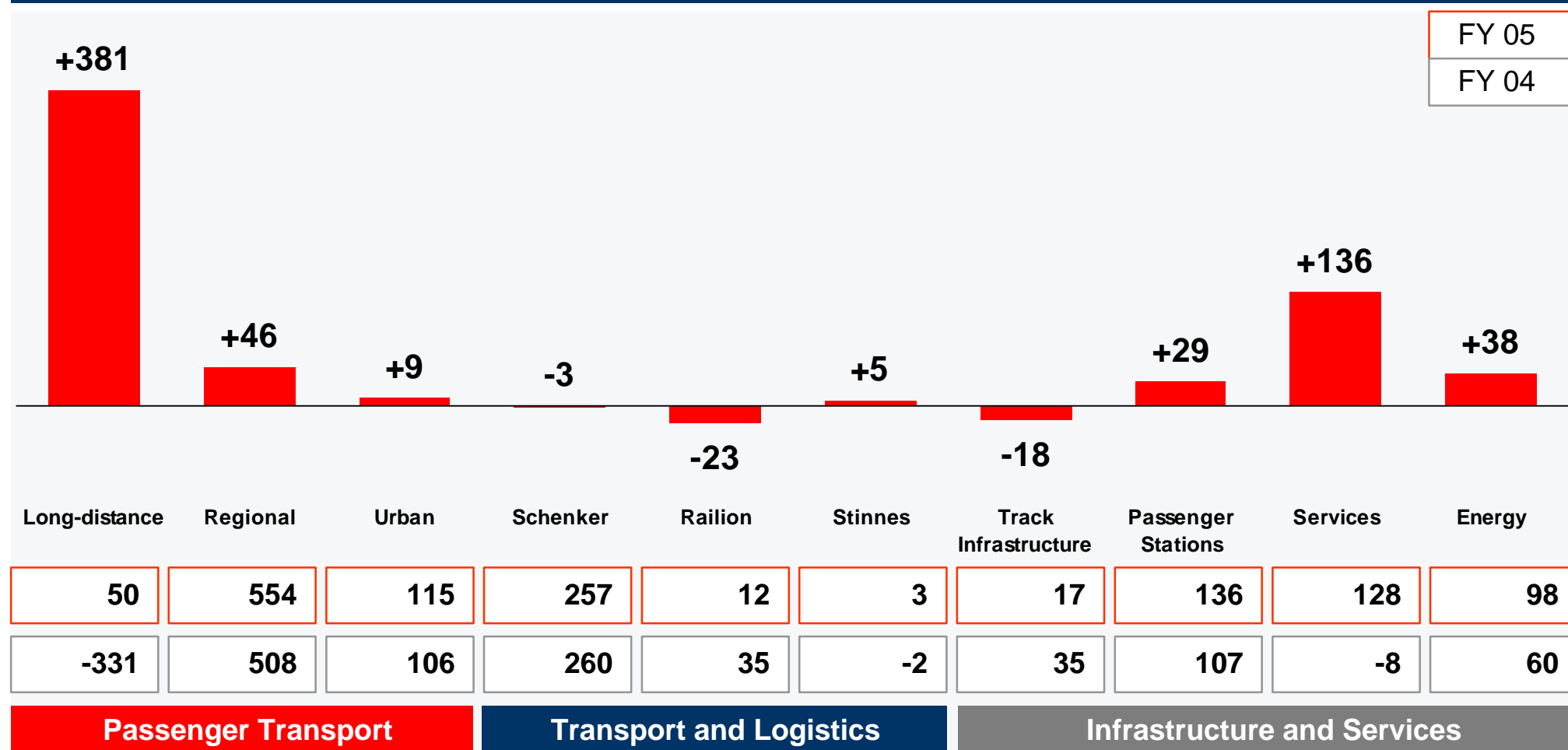
(€ mn)	2004	2005	+/-	Main drivers
Revenues	23,962	25,055	+1,093	<ul style="list-style-type: none"> <li>➤ Positive development of revenues</li> <li>➤ Cost reductions by implementation of programs (in particular "Qualify") and effects from collective wage agreements</li> <li>➤ Additional burdens from higher energy prices and freight rates</li> </ul>
+ Inv. chan.+ int. prod. / cap.A.	1,928	1,673	-255	
= Overall performance	25,890	26,728	+838	
+ Other operating income	2,860	2,366	-494	
- Costs of materials	-12,054	-12,650	-596	
- Personnel expenses	-9,556	-9,211	+345	
- Depreciation	-2,722	-2,801	-79	
- Other operating expenses	-3,274	-3,080	+194	
= Operating Profit (EBIT)	1,144	1,352	+208	
+ Financial result	-990	-862	+128	
Profit before taxes on income	+154	+490	+336	
- Taxes on income	+26	+121	+95	
Net profit for the year	+180	+611	+431	

# EBIT improved – operating income after interest forecast outreached



# EBIT split by business units: Significant improvement in Long-distance

EBIT: DB Group improved by €208 mn - change split by business units (€ mn)

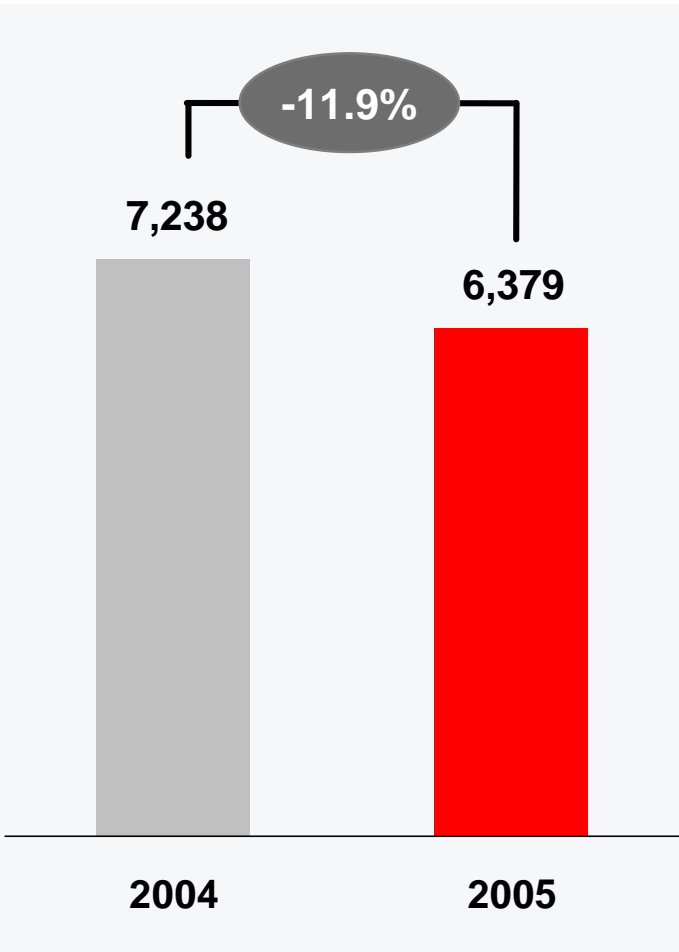


Other / consolidation: € -392 mn



# Modernization process continued: capex programs of €6.4 bn

## Gross capital expenditures (€ mn)



## Split by business units (%)

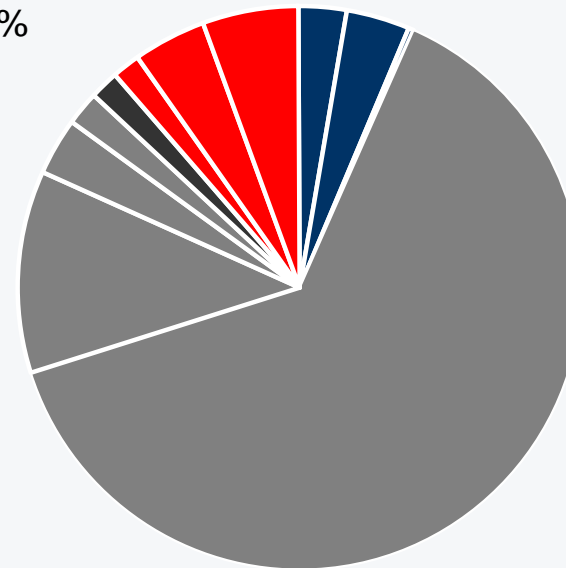


### 11% Passenger Transport

Regional	6%
Long-distance	4%
Urban	1%

### 8% Transport and Logistics

Schenker	3%
Railion	4%
Stinnes	<1%

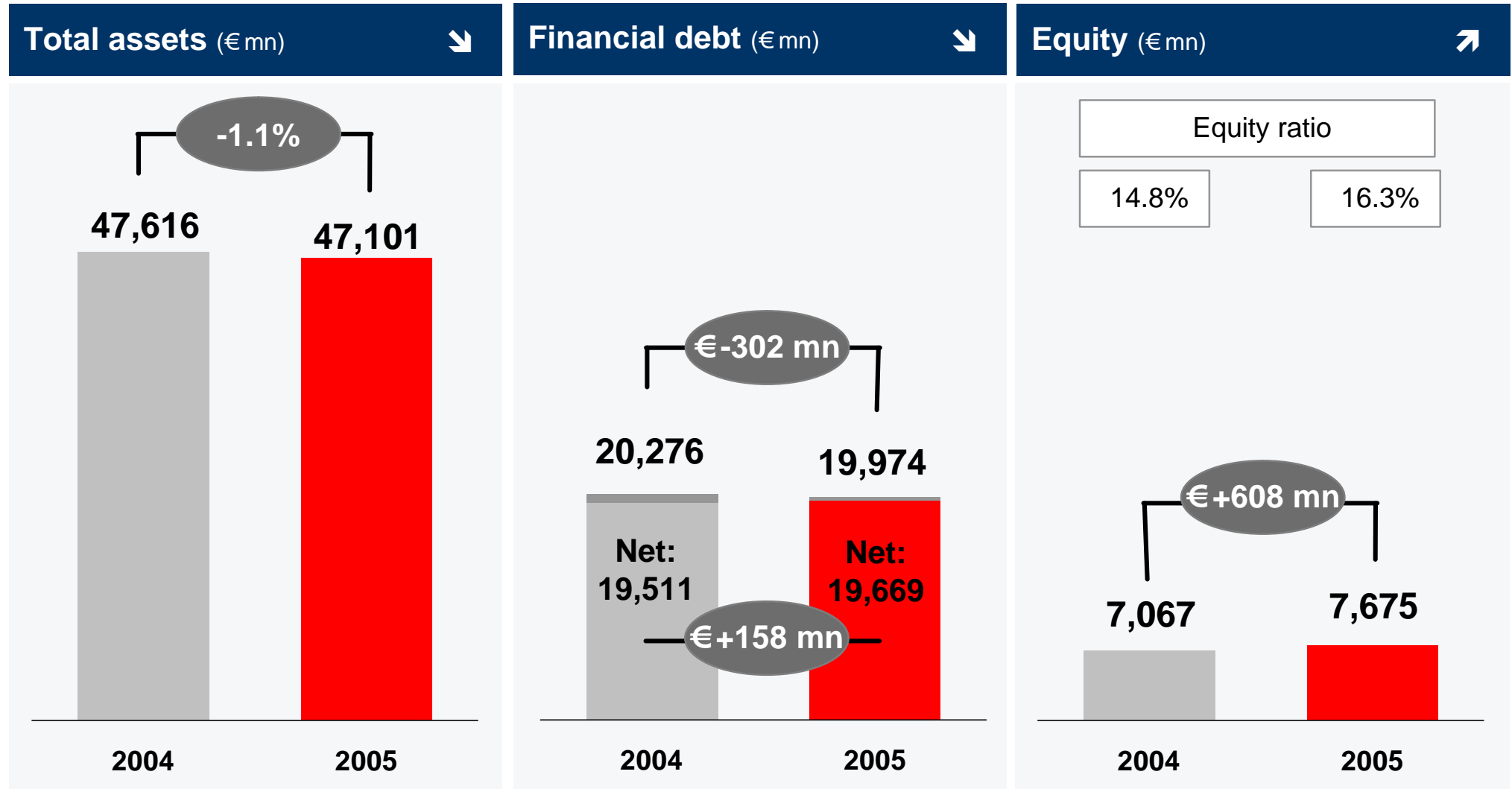


### 80% Infrastructure and Services

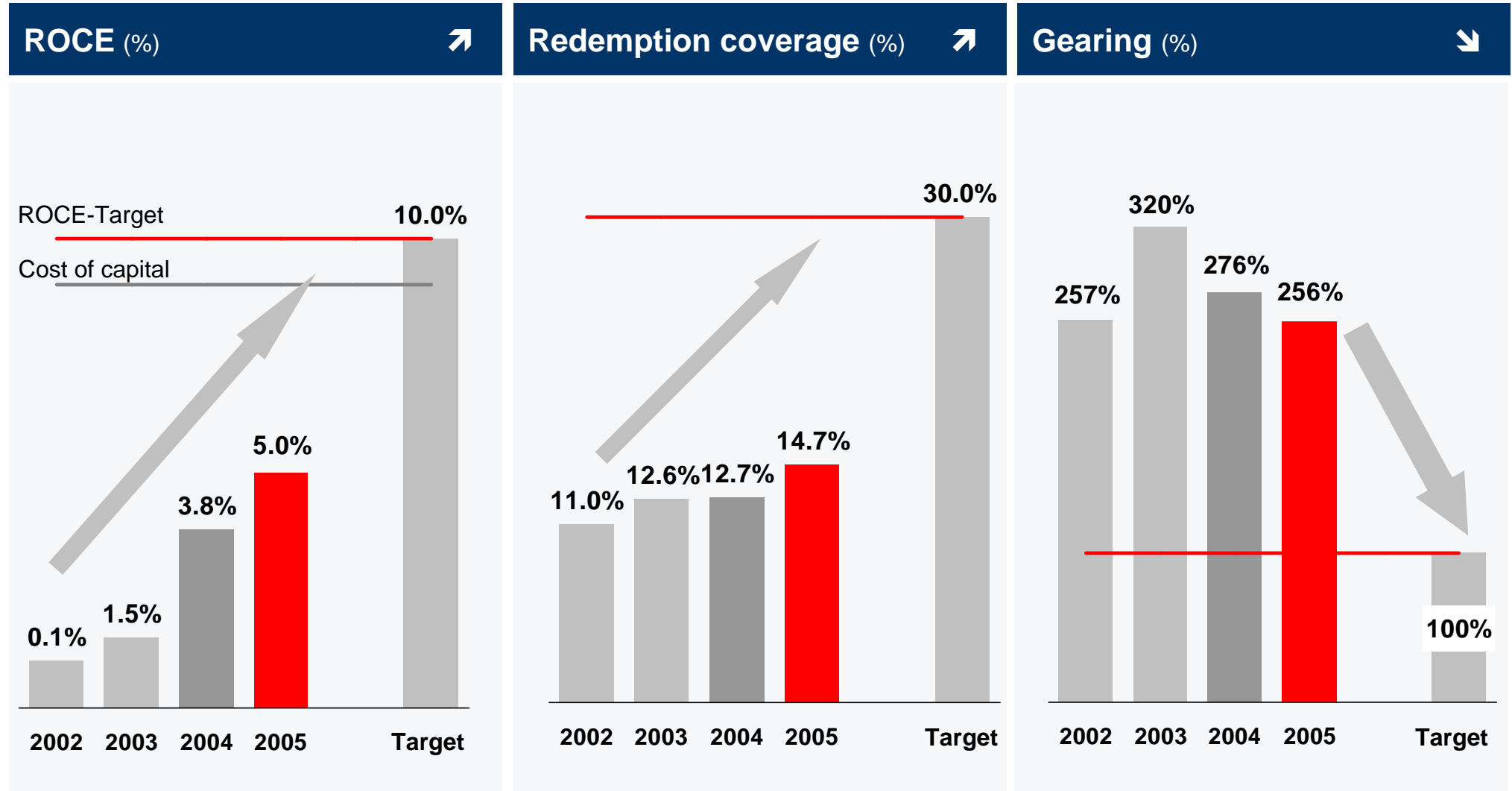
Track Infrastructure	63%	Services	3%
Passenger Transport	12%	Energy	2%

Other <2%

# Balance sheet: Structural improvement and decrease in total assets



# Positive development of all value management figures



Financial years 2004, 2005 IFRS; 2002, 2003 German GAAP

# Further increases in revenues and EBIT in 2006 financial year

## Outlook 2006 financial year

- Further improvements of operating performance and efficiency
- Continuation of modernization programs
- Increase in revenues to €28 bn
- Further EBIT increase by 15 – 20%

Assumptions	Revenues (€ bn) ↗	EBIT (€ mn) ↗								
<ul style="list-style-type: none"> <li>■ Stable global political framework</li> <li>■ German economy with slightly higher GDP growth</li> <li>■ Decrease / no further increase of energy prices</li> </ul>	<table border="1" style="margin: auto;"> <tr> <td>2006</td> <td>&gt; €28 bn</td> </tr> <tr> <td>2005</td> <td>25.1</td> </tr> </table>	2006	> €28 bn	2005	25.1	<table border="1" style="margin: auto;"> <tr> <td>2006</td> <td>Increase by 15-20%</td> </tr> <tr> <td>2005</td> <td>1,352</td> </tr> </table>	2006	Increase by 15-20%	2005	1,352
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