

Finanzpräsentation 2007

Beijing – Hong Kong – Kuala Lumpur – Shanghai – Singapore

Deutsche Bahn AG

Head of Investor Relations

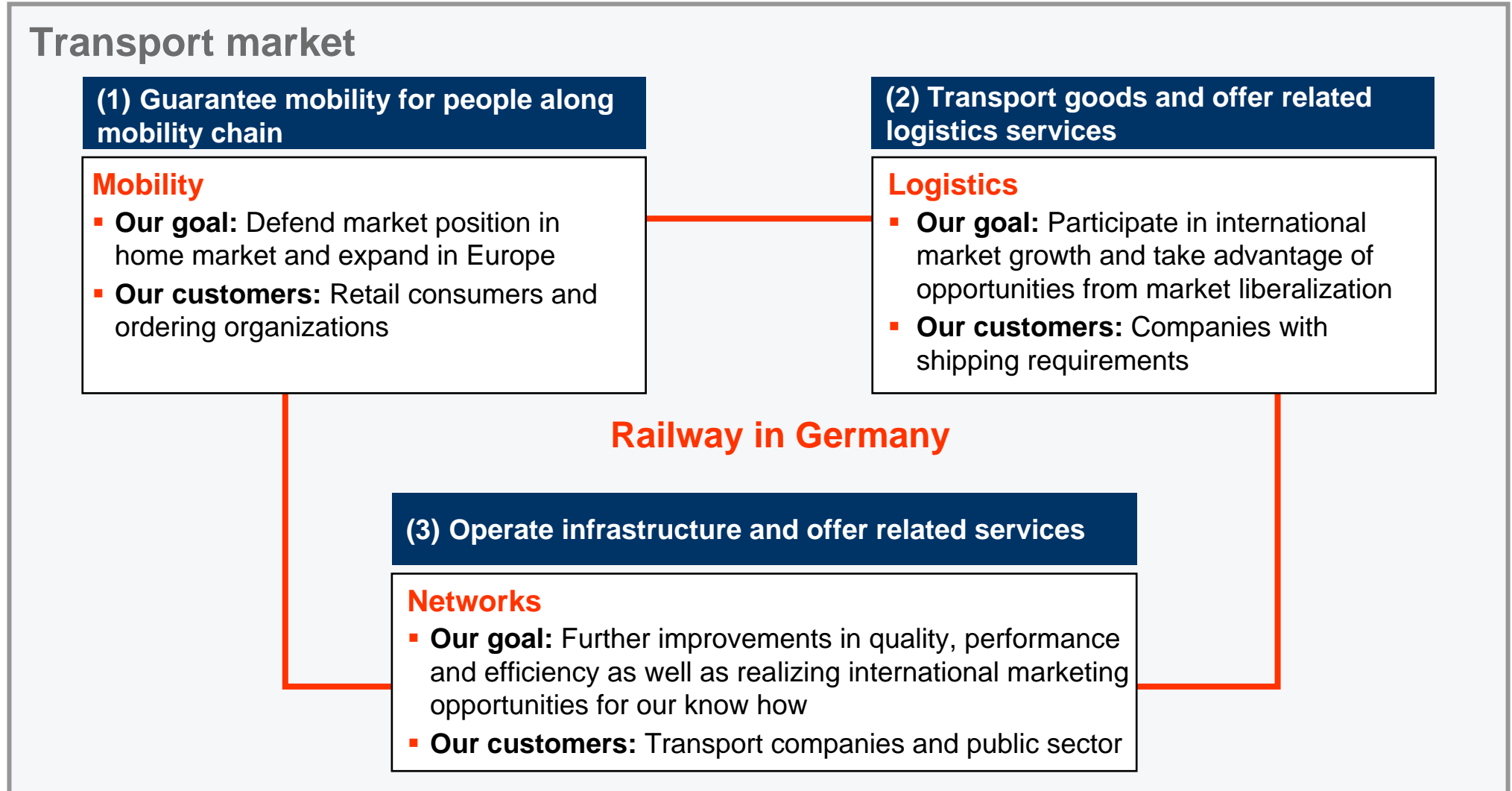
Dr. Susanne Wegerhoff

Head of Capital Markets Division

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May 2007

Corporate structure in line with customer demand



Focused Group portfolio with three strong pillars

DB Group (2006) 	<ul style="list-style-type: none"> ■ DB AG as management holding ■ Vertically integrated Group structure Ratings: Aa1 / AA	Revenues (€ bn)	30.1	Capital expenditures (€ bn)	6.6
		EBIT (€ bn)	2.5	Total assets (€ bn)	48.4
		ROCE (%)	7.5	Employees (as of Dec 31)	229,200

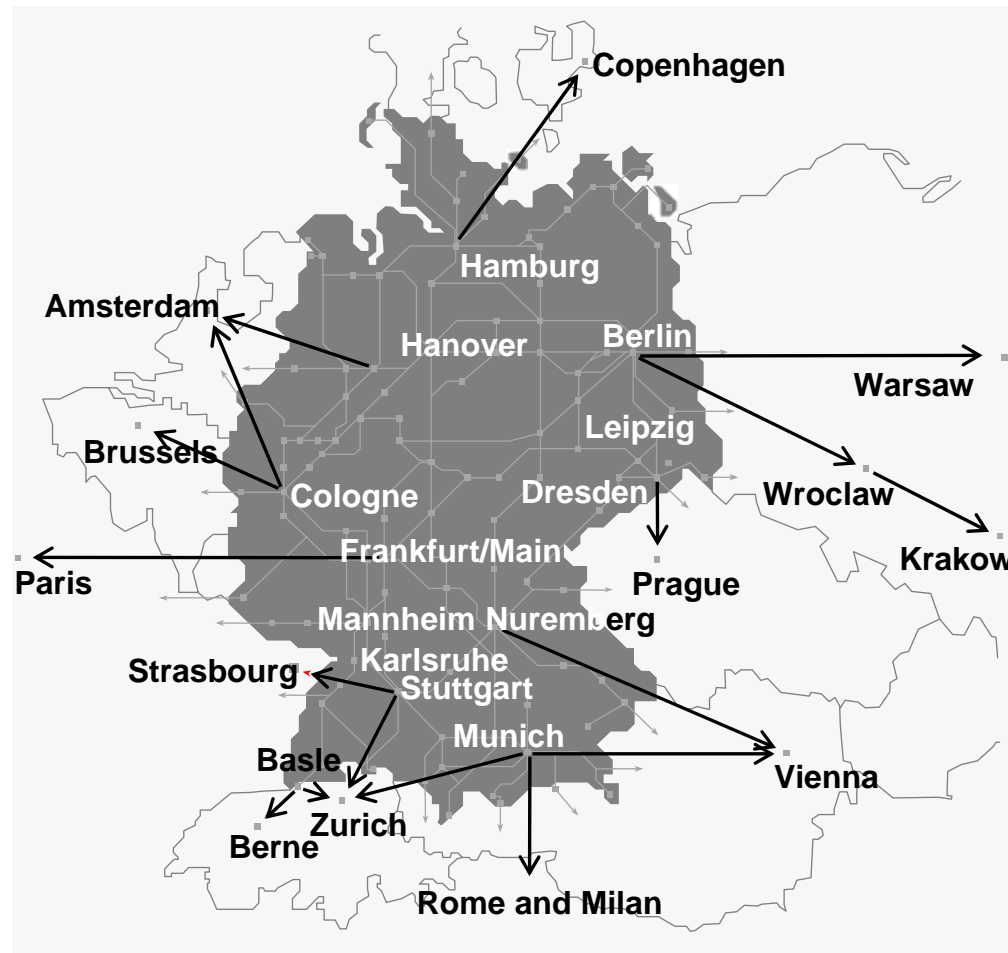
Mobility			Networks			Logistics		
<ul style="list-style-type: none"> ■ # 1 rail passenger transport in Europe ■ # 1 regional and local public transport in Europe ■ # 1 bus transport in Germany 			<ul style="list-style-type: none"> ■ Longest rail network in Europe ■ 350 railways utilizing German track infrastructure, thereof 328 non-Group railways 			<ul style="list-style-type: none"> ■ # 1 European rail freight transport ■ # 1 European land transport ■ # 2 air freight ■ # 3 ocean freight ■ # 6 contract logistics 		
2006	€mn	%	2006	€mn	%	2006	€mn	%
Revenues	11,519	38	Revenues	1,314	4	Revenues	17,034	57
EBIT	968	39	EBIT	433	17	EBIT	609	25
Capex	740	11	Capex	5,407	82	Capex	384	6
Employees (as of Dec 31)	52,579	23	Employees (as of Dec 31)	74,230	32	Employees (as of Dec 31)	79,162	35

Consistent strengthening of our market positions to be pursued

What we have achieved to date...	...forms the basis for further improvements	
<p>Germany</p>	<ul style="list-style-type: none"> ■ Very strong position in home market after returning to profitability and modernizing product offerings in passenger and freight transport 	<ul style="list-style-type: none"> ■ Further increase profitability and quality of rail business ■ Strengthen and expand rail network in key strategic areas
<p>Europe</p>	<ul style="list-style-type: none"> ■ Excellent position in Europe: <ul style="list-style-type: none"> ▶ Railion is the largest pan-European rail freight carrier ▶ Schenker operates the largest and most sophisticated land transport network 	<ul style="list-style-type: none"> ■ Solidify market leadership in long-distance passenger transport and freight transport ■ Expand networks, i.e. pan-European ICE links and in Eastern Europe
<p>Global</p>	<ul style="list-style-type: none"> ■ Leading global transport and logistics provider in air and ocean freight ■ Systematic expansion of contract logistics activities 	<ul style="list-style-type: none"> ■ Further build upon leading position in ocean and air freight ■ Broaden network in key strategic areas with focus on Asia, China and trans-pacific routes

Europe's largest rail network fully interlinked with all neighboring markets

Railroad in Germany and beyond



Our network

■ Rail infrastructure in Germany

- ▶ Europe's longest rail network
- ▶ Infrastructure continuously developed. Bottlenecks along major routes to be eliminated and key geographic junctions to be strengthened to accommodate further growth in passenger and freight transport

■ Passenger transport in Germany

- ▶ Easy access
- ▶ Fully integrated and tightly scheduled transport in long-distance, regional and urban networks

■ Cross-border transport

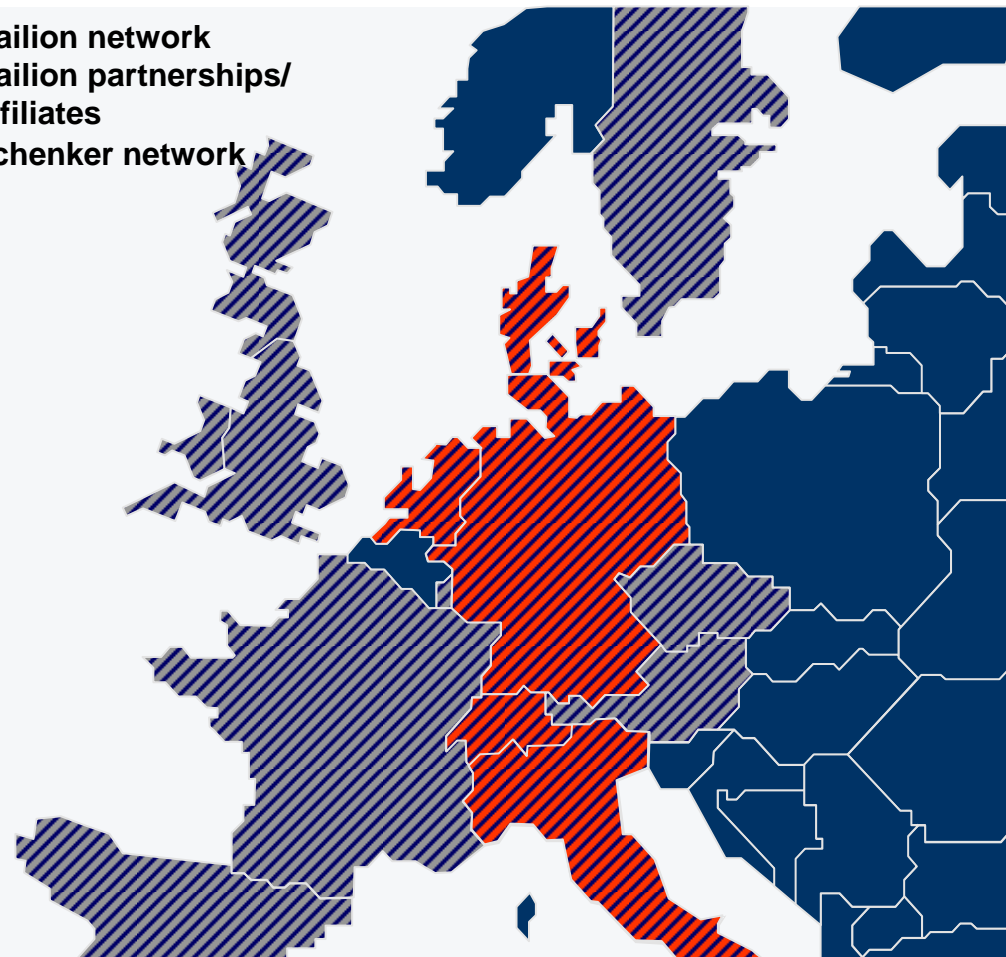
Cooperative long-distance service offerings, i.e.:

- ▶ Facilitating access (customer contact, ticketing, pricing)
- ▶ Improving quality and consistency of service offerings
- ▶ Optimizing production (reducing production cost and travel time)

Europe's highest-density network in rail and land transport

European network

- Railion network
- Railion partnerships/affiliates
- Schenker network



Our network

■ Rail freight transport

- ▶ Deregulation in Europe started in 2007
- ▶ Well positioned on major north-south lines
- ▶ Growth opportunities on major east-west lines with cost-efficient services and consistent information monitoring for transport chain

■ European land transport

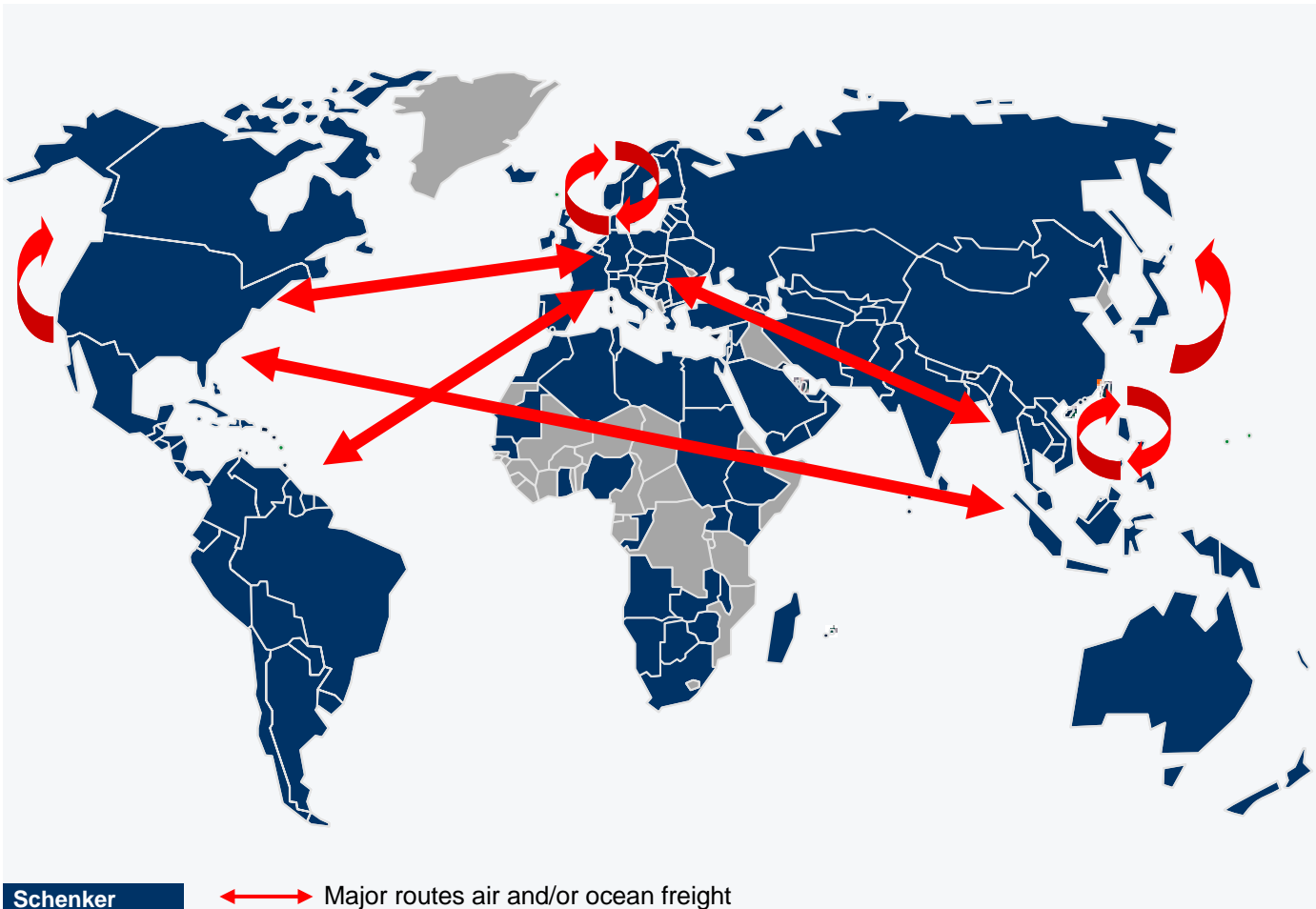
- ▶ Broad-based transport network with about 30 national subsidiaries and more than 700 locations
- ▶ More than 10,000 regularly scheduled transports per week (2,500 direct and 7,500 gate transports)
- ▶ Additional networks at country level to ensure efficient exchange of goods

- **Competitive advantage DB:** Unique portfolio combining the strengths of Railion and Schenker

Leading world-wide air and ocean freight network

Schenker is globally active in more than 130 countries

Our network



Networks spanning the globe:

■ Ocean freight

- ▶ Represented in all major seaports and industrial regions
- ▶ Tailor-made transport solutions and selection of appropriate carrier (full container-FCL, less-than-container load-LCL and large-capacity transports)

■ Air freight

- ▶ Products for just-in-time delivery for FCL and LCL
- ▶ Transport solutions with specific running time and without weight or other limitations
- ▶ Seamless en route monitoring via internet

The transport market is facing major challenges

Environment-friendly and competitive transport networks are the answer to the transport challenges of the future

(1) Globalization

- Global flow of goods to grow further
- Customers expecting global, integrated end-to-end product offerings and related services

(2) Climate change and shortage of natural resources

- CO₂ emissions to be reduced in order to combat climate change
- Fuel prices to rise further
- Demand for resource- and environment-friendly transport offerings to increase sharply

(3) Deregulation

- Liberalization of transport markets creates fresh business opportunities
- The public sector will require solutions to complex transport tasks

Our opportunity

- DB Group possesses the transport and logistics competencies to benefit from globalization

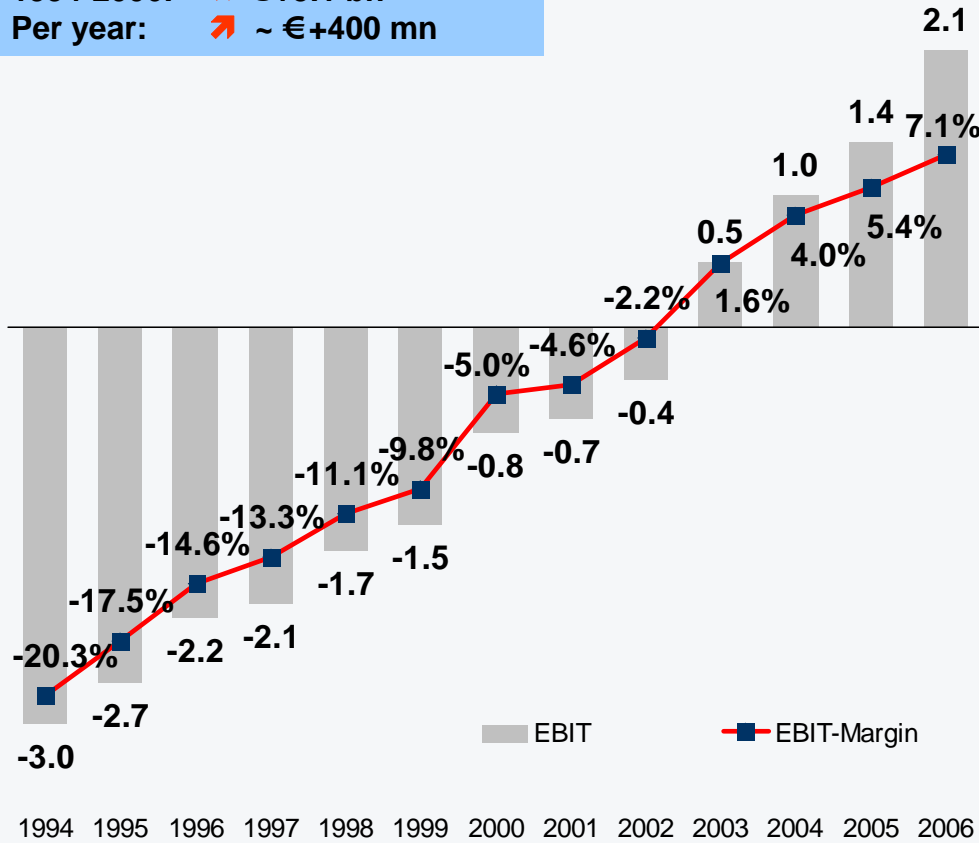
- DB Group possesses the know how to combine the economic and ecological strengths of different modes of transport

- DB Group possesses a high-density network in European land and rail transport and competes successfully in liberalized markets

The success of our strategic approach is reflected in our results

EBIT* and EBIT-Margin* (€bn or %)

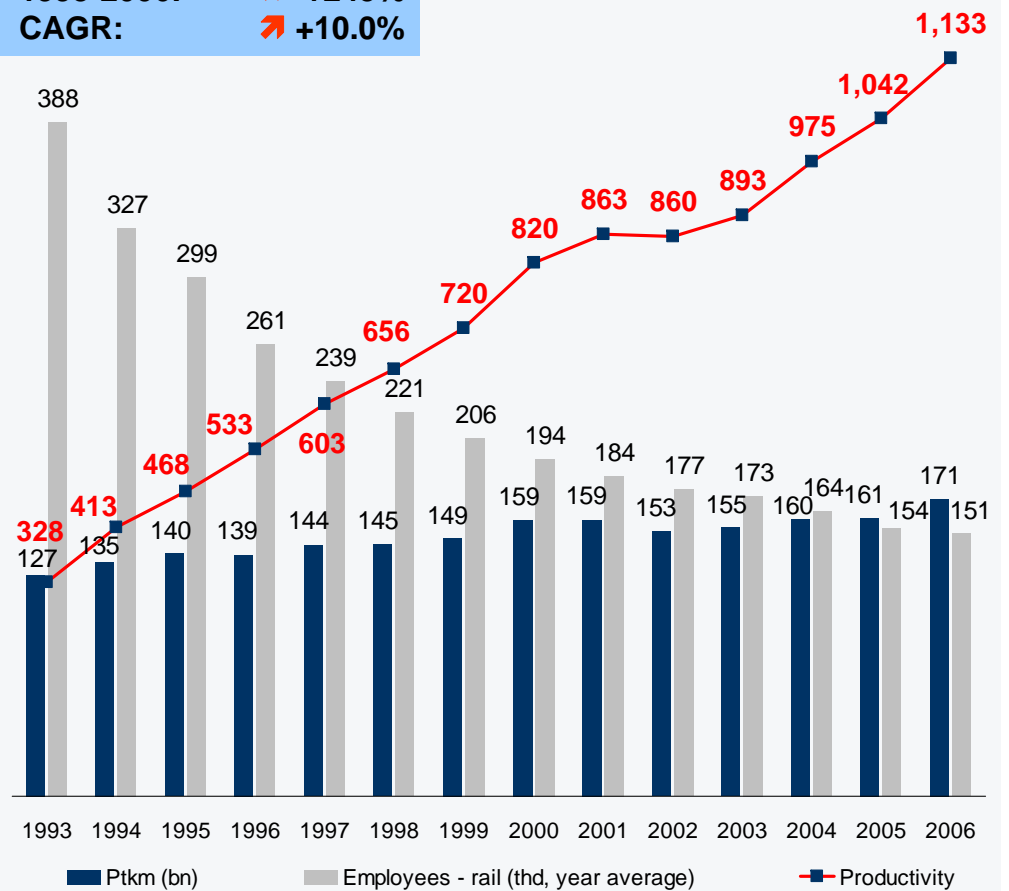
1994-2006: **↗ €+5.1 bn**
 Per year: **↗ ~ €+400 mn**



* before special items and special burden compensation

Productivity – rail (thousand ptkm/employee)

1993-2006: **↗ +245%**
 CAGR: **↗ +10.0%**

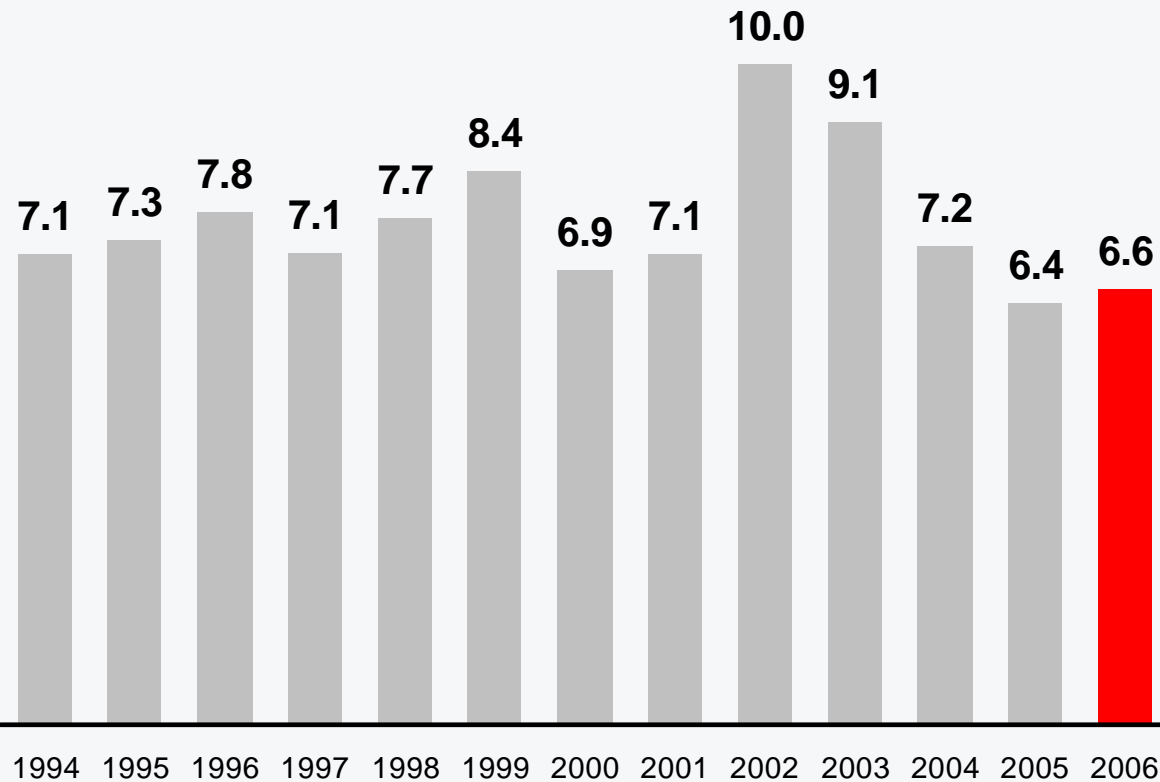


Figures until 2004 FY according to German GAAP

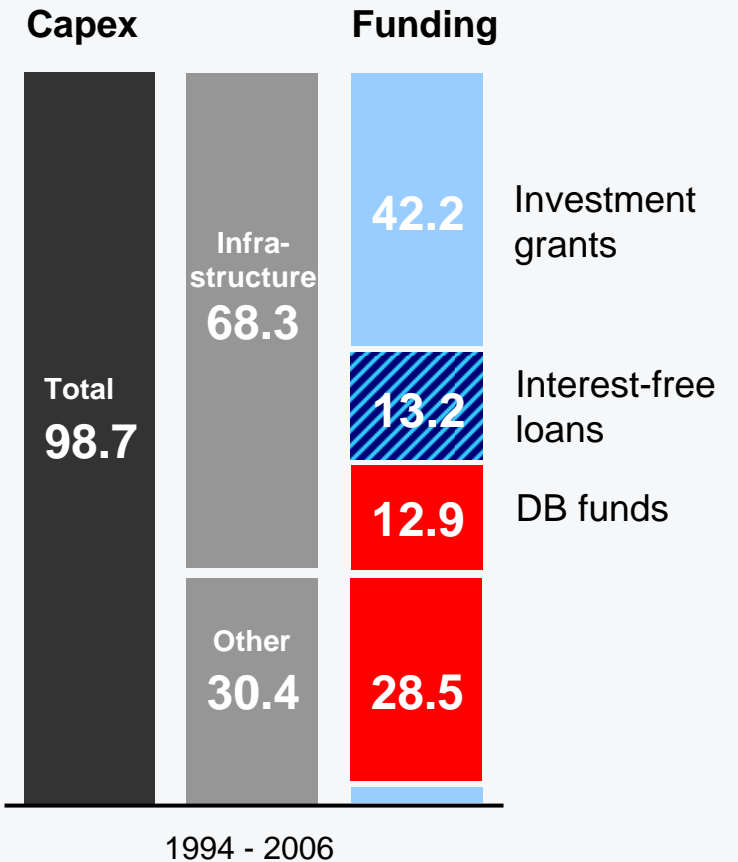
High capex level since 1994 for major overhaul of rail system

Gross capital expenditures (€bn)

Since 1994: about €99 bn



Structure and source of funds (€bn)



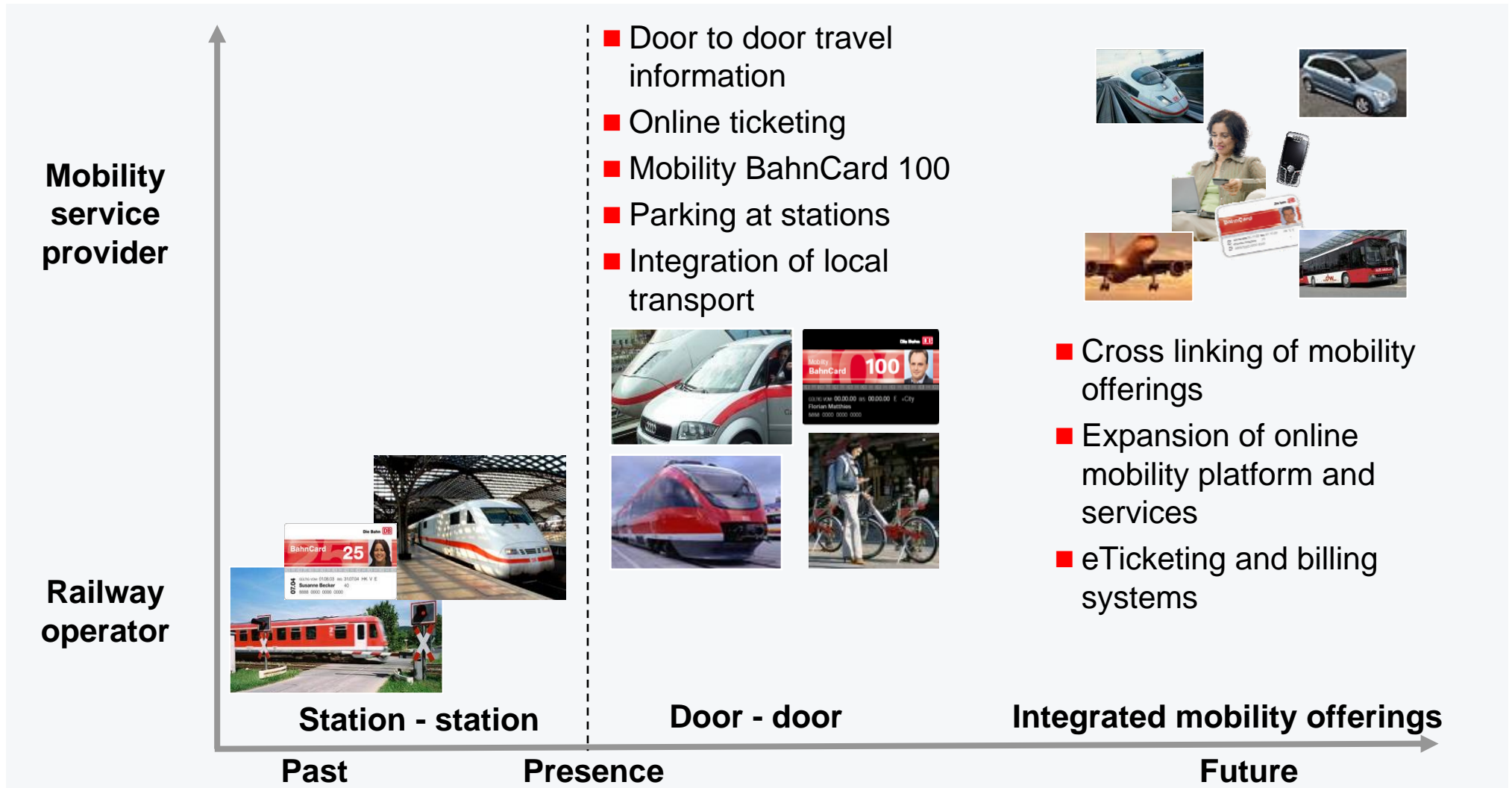
Figures until 2004 FY according to German GAAP

Overview

Transport performance - rail (%)	Revenues (%)	EBIT (%)			
<p>2006: 74.8 bn pkm</p>	<p>2006: €11.5 bn</p>	<p>2006: €1.0 bn</p>			
#1 in rail passenger transport in Europe	#1 in regional and local transport in Europe	€mn	2005	2006	+/-
1 Deutsche Bahn	1 Deutsche Bahn	Passenger km (mn)	72,554	74,788	+3.1%
2 SNCF	2 SNCF	Revenues	11,228	11,519	+2.6%
3 Trenitalia	3 Veolia	EBIT	719	968	+34.6%
4 National Express	4 First Group	Gross Capex	718	740	+3.1%
5 SBB	5 National Express	Employees (as of Dec 31)	53,830	52,579	-2.3%

Rankings related to the 2005 FY (based on revenues)

Transformation into an international mobility service provider



Overview

Segment Revenues (%)	EBIT (%)	€ mn	2005	2006	+/-
2006: €10.8 bn 	2006: €0.4 bn 	Train-path km (mn)	998	1,016	+1.8%
		Revenues	1,129	1,314	+16.4%
		EBIT	379	433	+14.2%
		Gross Capex	5,129	5,407	+5.4%
		Employees (as of Dec 31)	76,280	74,230	-2.7%

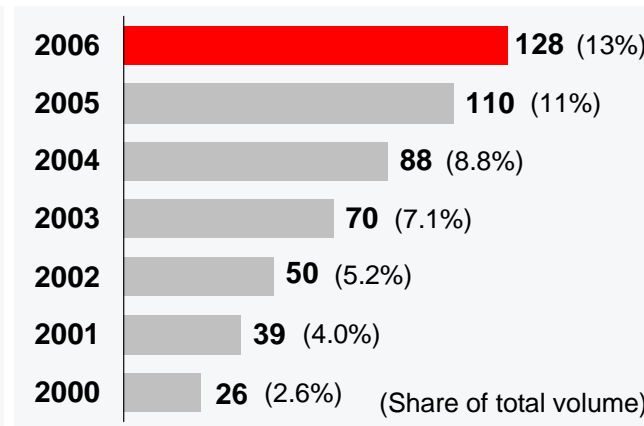
Infrastructure

- Since 1994 non-discriminatory open access to DB infrastructure. Full pricing transparency for infrastructure usage
- Infrastructure continues to benefit from consistent high share of total capex. Focus on existing network, control and command technology and modernization of passenger stations

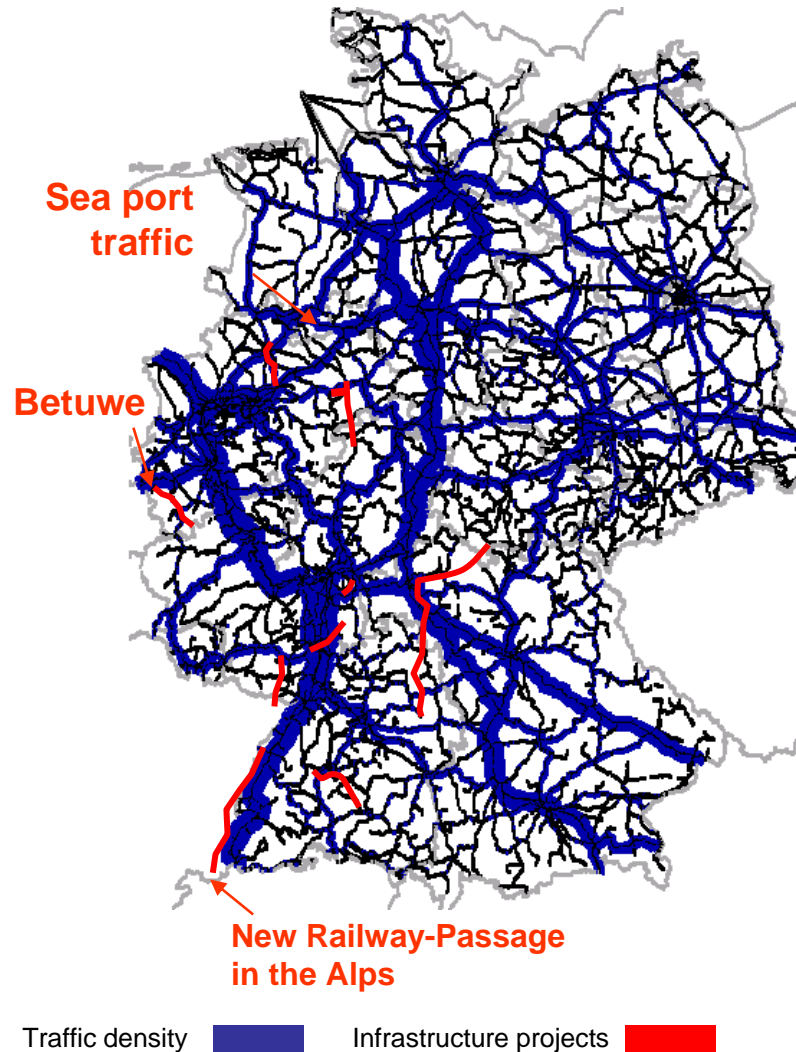
Services

- High share of services for Group customers (2006: 88%)
- Growing importance of business with non-Group customers

Train kilometers of non-Group railways (mn train-path km)



Infrastructure will be developed in accordance with growth potentials



Development approach

- Eliminate bottlenecks on main transport axes and intersections with high growth potential in passenger and freight transport
- Connect the German core infrastructure with international transport networks
- Develop the seaport hinterland of important seaports in Europe, in order to skim growth potentials in the rail freight market
- Optimize the connection between seaports and transport infrastructure (develop maritime terminals, seaport hinterland transport)

Overview

Revenues (%)	EBIT (%)	€ mn	2005	2006	+/-
<p>2006: €17.0 bn</p>	<p>2006: €0.6 bn</p>	Ton km (mn)	88,022	96,388	+9.5%
		Revenues	12,426	17,034	+37.1%
		EBIT	272	609	+124%
		Gross Capex	424	384	-9.4%
		Employees (as of Dec 31)	63,698	79,162	+24.3%

#1 in European rail freight transport (based on tkm)	#1 in European land transport (based on revenues)	#2 in global air freight (based on t)	#3 in global ocean freight (based on TEU)
1 Deutsche Bahn	1 Schenker	1 DHL	1 Kühne&Nagel
2 PKP	2 DHL	2 Schenker	2 DHL
3 SNCF	3 DSV	3 UPS	3 Schenker
4 Trenitalia	4 Dachser	4 Panalpina	4 Panalpina
5 RCA	5 Geodis	5 Kühne&Nagel	5 UPS

Rankings related to the 2005 FY

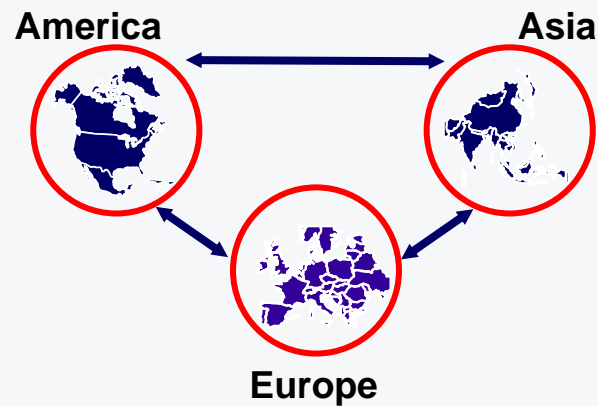
Customer focused solutions along the entire logistics chain

Customer requirements

1 Multi-modal transport solutions



2 Coverage of global flow of goods



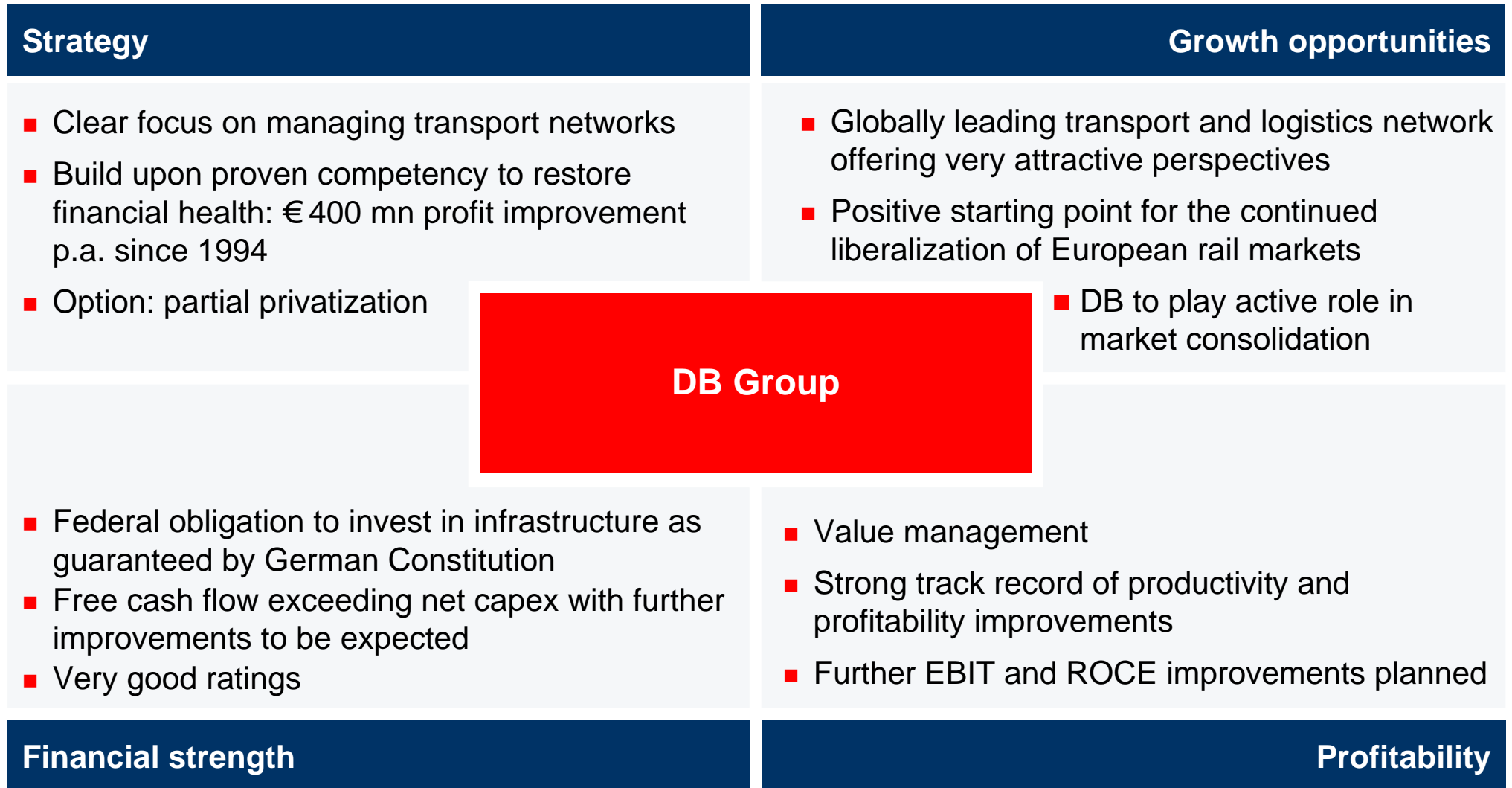
3 Additional services

Contract logistics





DB Group is well positioned for further profitable growth

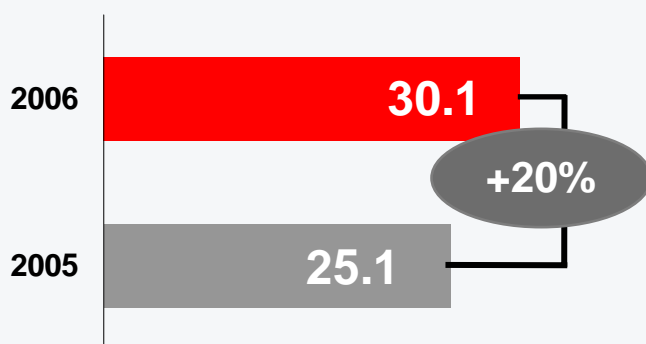


Strong development in 2006 Financial Year

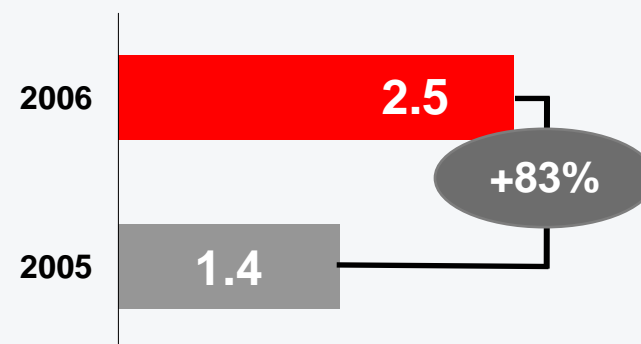
Highlights

- ✓ Market share gains in rail transport as well as continued strong development of international freight forwarding and logistics activities
- ✓ Revenues increased by 19.9% to €30.1 bn (comparable: +7.7%)
- ✓ Significant EBIT growth by €1.1 bn to €2.5 bn
- ✓ All value management figures improved – ROCE increase to 7.5%
- ✓ Gross capital expenditures at a slightly higher level of €6.6 bn

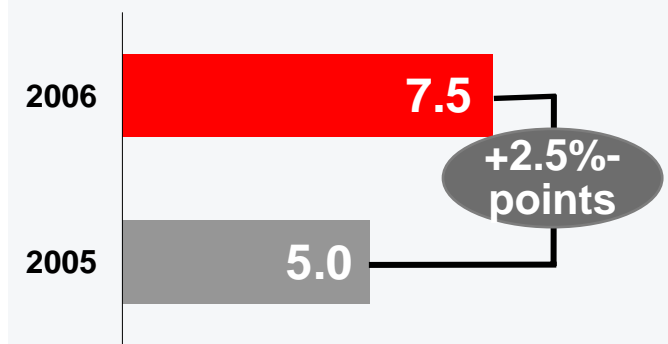
Revenues (€bn) ↗



EBIT (€bn) ↗



ROCE (%) ↗



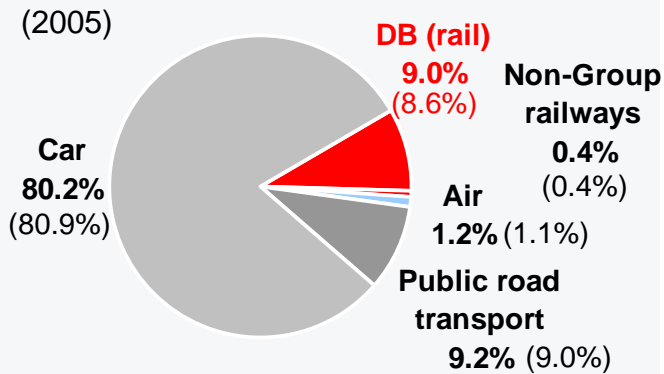
General remarks

Market environment	Economic environment more favorable ↗ Significant improvement in Germany ↗ Strong development of international freight forwarding and logistics markets ↘ Impact from higher energy prices	Δ GDP	2006	2005
		Germany	+2.7%	+0.9%
		Euro-Zone	+2.7%	+1.4%
		China	+10.7%	+10.4%
		World	+3.8%	+3.3%
Infrastructure utilization	Passenger Stations (2006: 144.2 mn stops) ↗ Station stops of non-Group railways (+20%) Track Infrastructure (2006: 1,016 mn train-path km) ↗ Train kilometers of non-Group railways (+16%)	Non-Group railways	2006	2005
		Number	328	300
		Train-path km (mn)	128	110
Comparability of 2006 FY	Growth from operations and acquisitions ■ Additions in 2006: BAX Global (BAX), RBH Logistics GmbH (RBH), Schenker Linjegods AS (Linjegods), Roll Spedition GmbH (Roll) und StarTrans-Gruppe (StarTrans) ■ Disposals in 2005: Deutsche Eisenbahn-Reklame GmbH (DERG) und STINNES-data-SERVICE GmbH (SDS)			

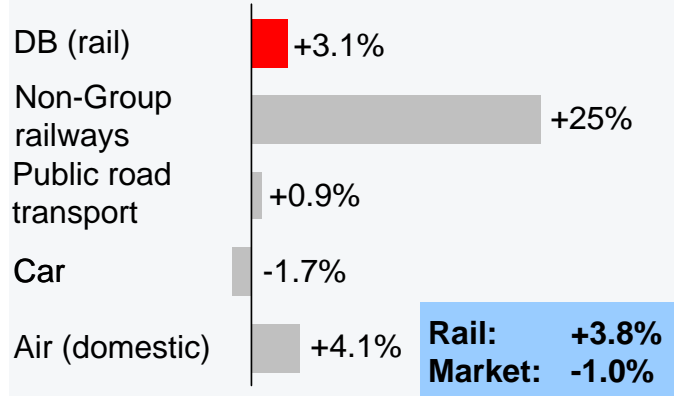


Rail showed significant growth in German passenger transport market

German passenger transport market 2006 (%)



Growth of transport performance 2006 vs 2005 (%)



DB

- Positive impact from economic environment
- Improved service offers
- Volume increases due to 2006 FIFA World Cup™
- High demand for special price and special package offers
- Tender-related losses

Long-Distance

- Passengers (+1%)
- Transport performance (+2%)

Regional / Urban

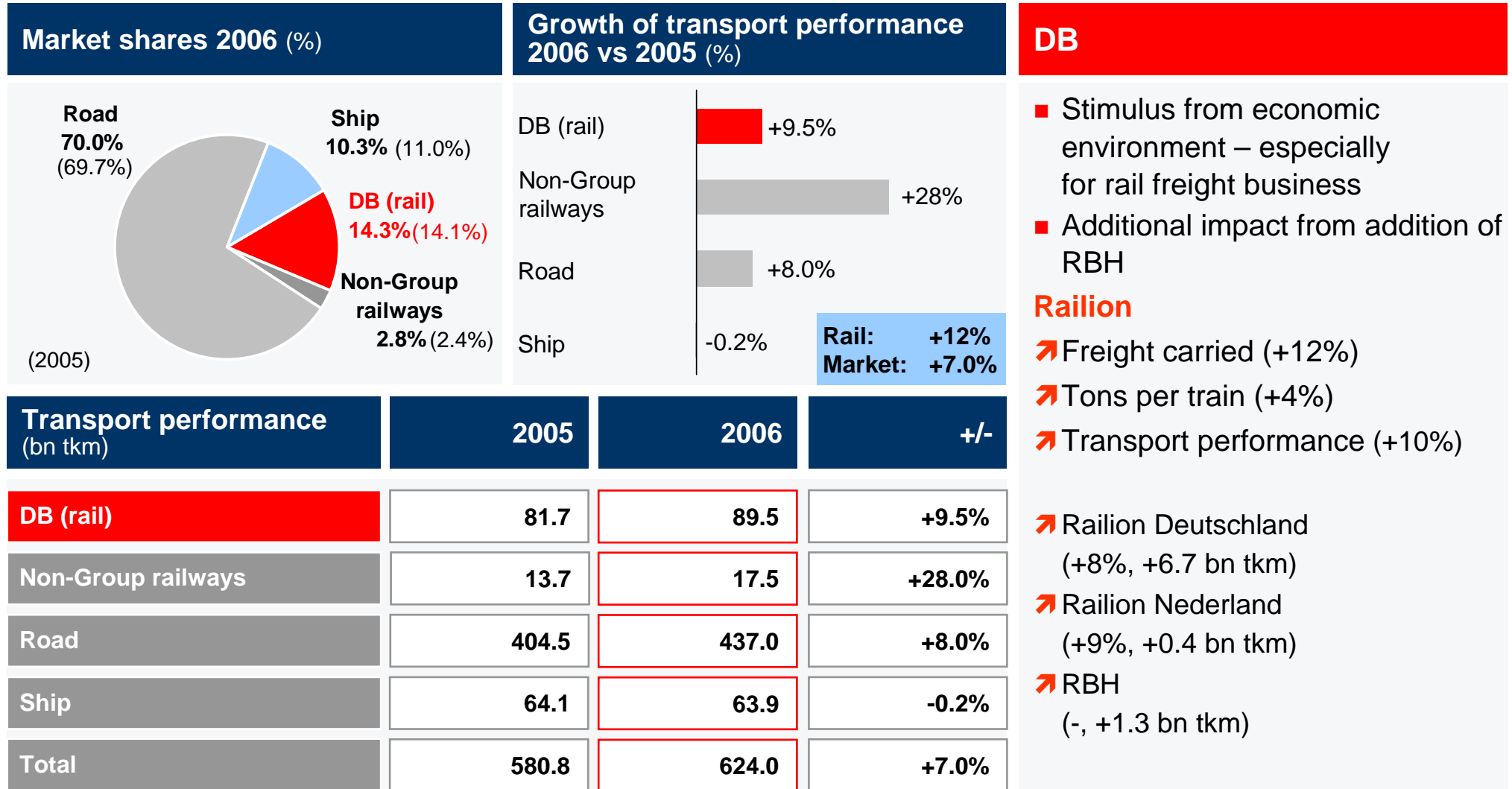
- Transport performance Rail (+4%/+3%)
- Transport performance Bus (-5%)

Transport performance (bn pkm)	2005	2006	+/-
DB (rail)	72.6	74.8	+3.1%
Public road transport	75.9	76.6	+0.9%
Non-Group railways	2.4	3.0	+25.0%
Car	678.2	666.7	-1.7%
Air (domestic)	9.5	9.9	+4.1%
Total	838.5	830.9	-1.0%

All data for 2006 is based on information and estimates available as of Feb 27, 2007

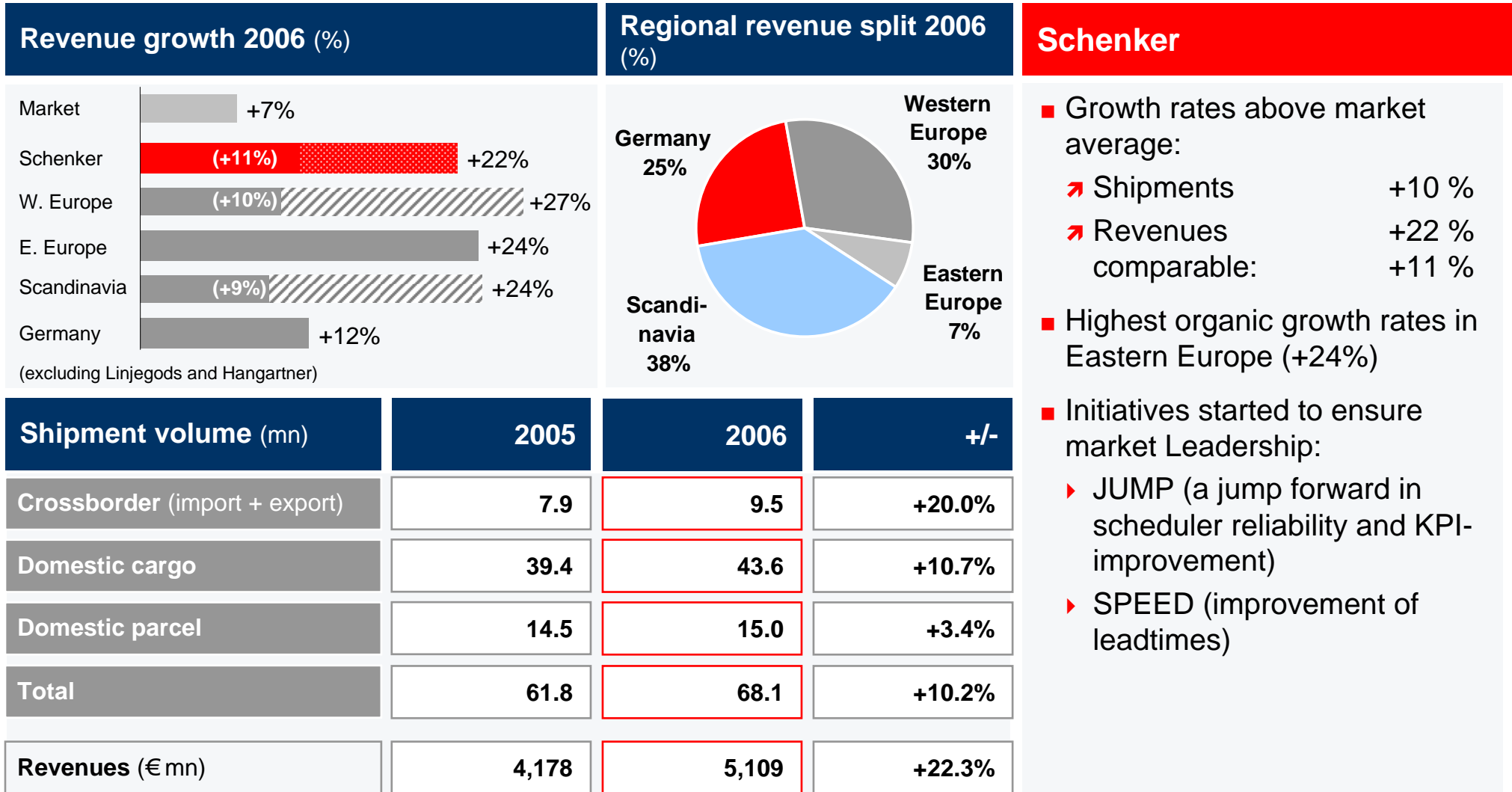


Rail showed strongest growth rate in German freight transport market



All data for 2006 is based on information and estimates available as of Feb 27, 2007

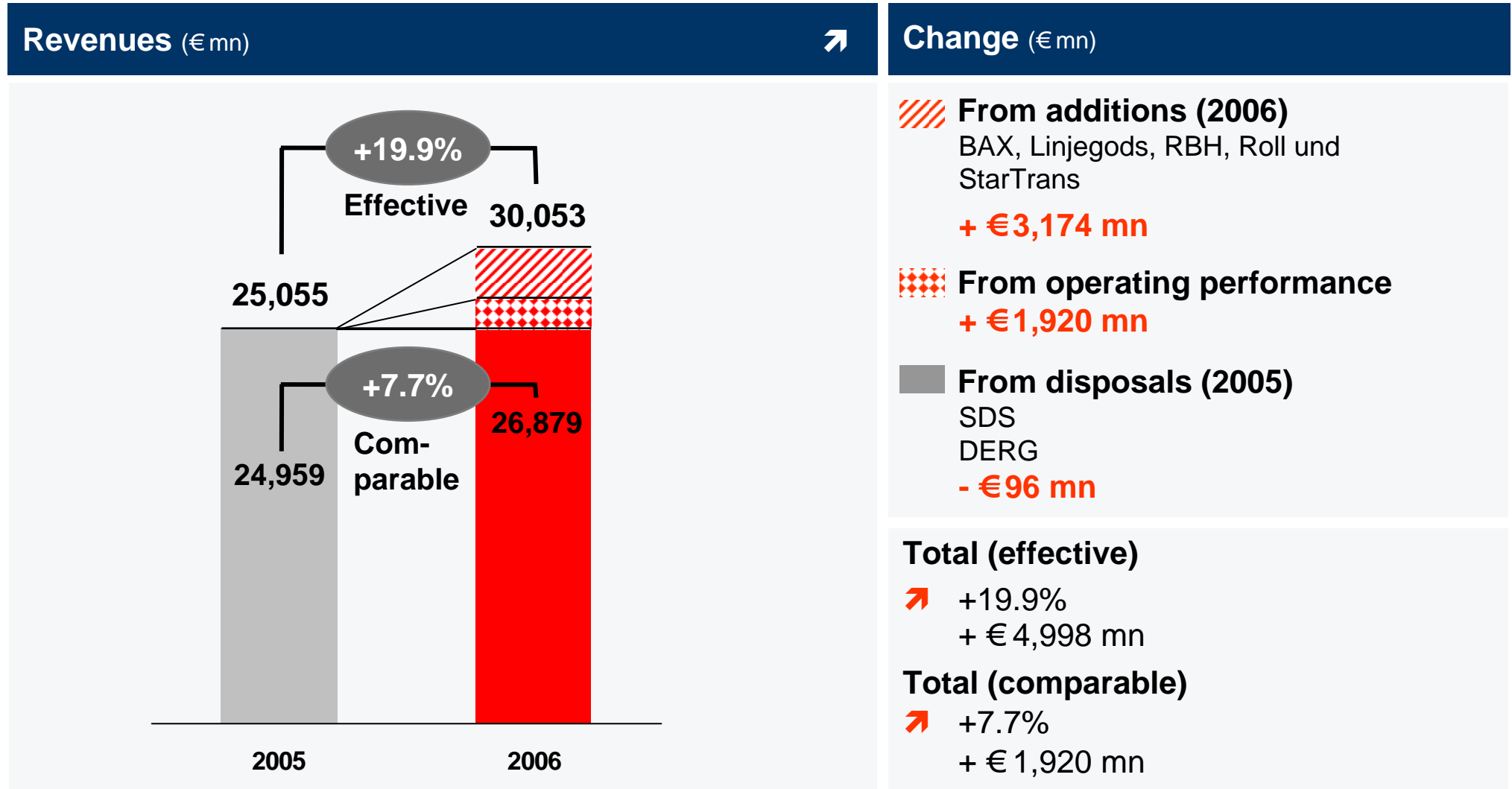
Schenker exceeds dynamic market development in European Land Transport



Schenker outpaces market development in air and ocean freight

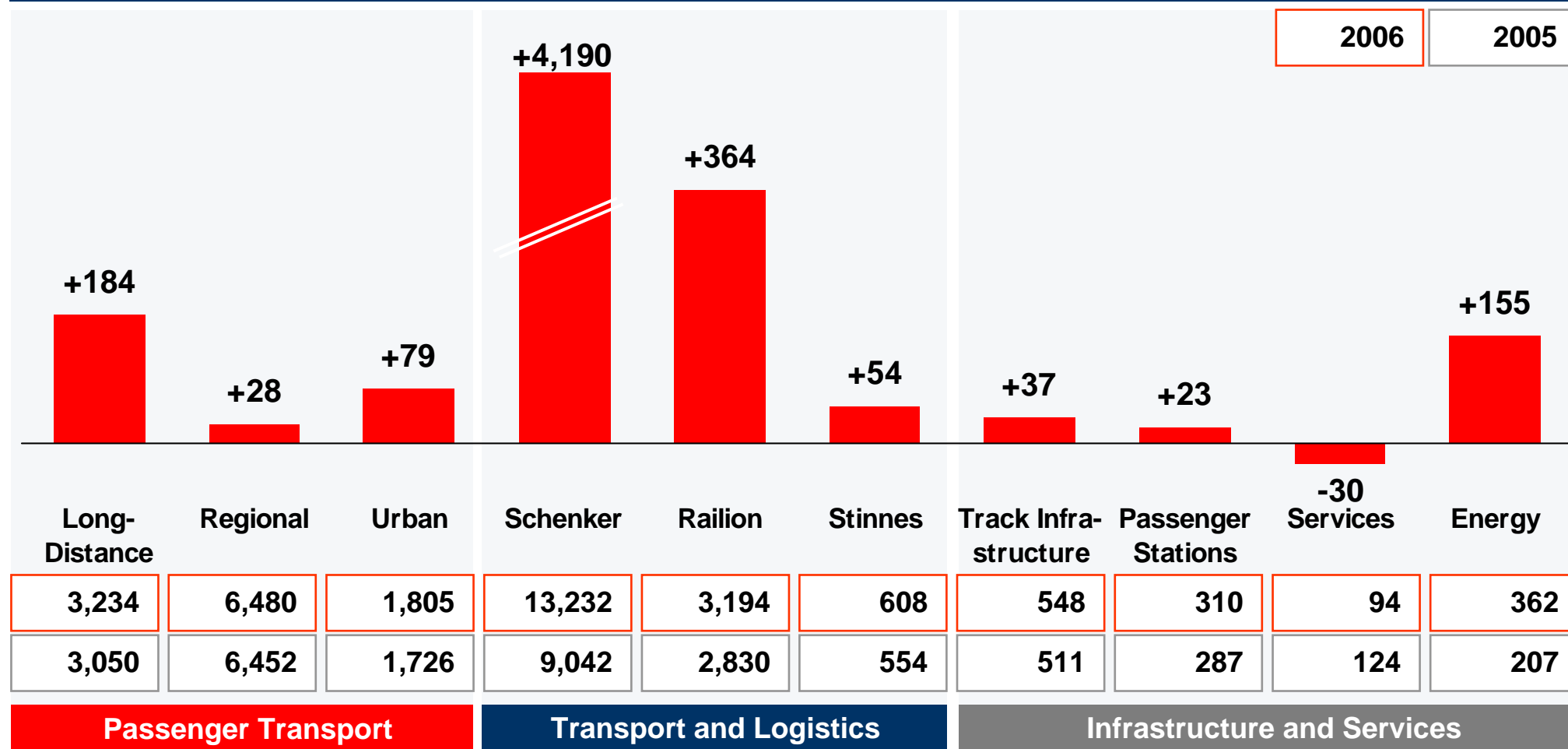
Volume growth air / ocean Freight 2006 (%)		Regional revenue split 2006 (%)		Schenker	
Air freight (t) Market: +5.7% Schenker (excl. BAX): +16.6%				<ul style="list-style-type: none"> ■ Growth rates above market average: <ul style="list-style-type: none"> ➤ Air freight: +17% ➤ Ocean freight: +20% ➤ Revenues: +91% comparable: +19% ■ Highest growth rates both in air- and ocean freight in Asia-related traffics 	
Ocean freight (TEU) Market: +8.3% Schenker (excl. BAX): +20.4%					
Volume	2005	2006	+/-		
Ocean freight Schenker (TEU)	972,833	1,171,420	+20.4%		
Air freight Schenker (t export)	572,627	667,451	+16.6%		
Air freight BAX (t export)	N/A	547,718	N/A		
US domestic network (t)	N/A	188,405	N/A		
Revenues (€ mn)	3,620	6,901	+90.6%		

Further significant revenue growth



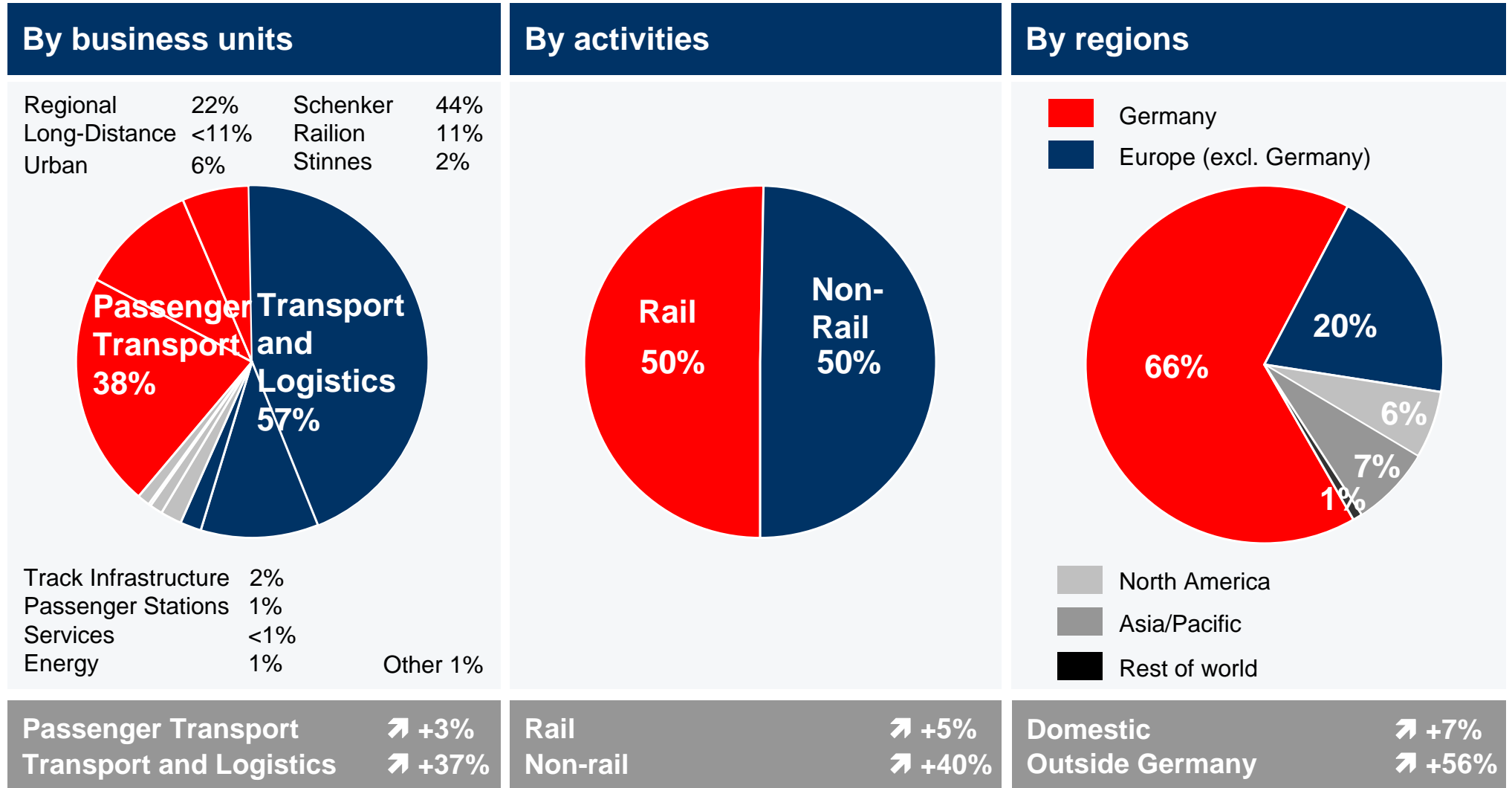
Revenue increase broadly based across business units

Revenues by business units (€ mn)



Other operating activities incl. Holding: - €86 mn vs. 2005

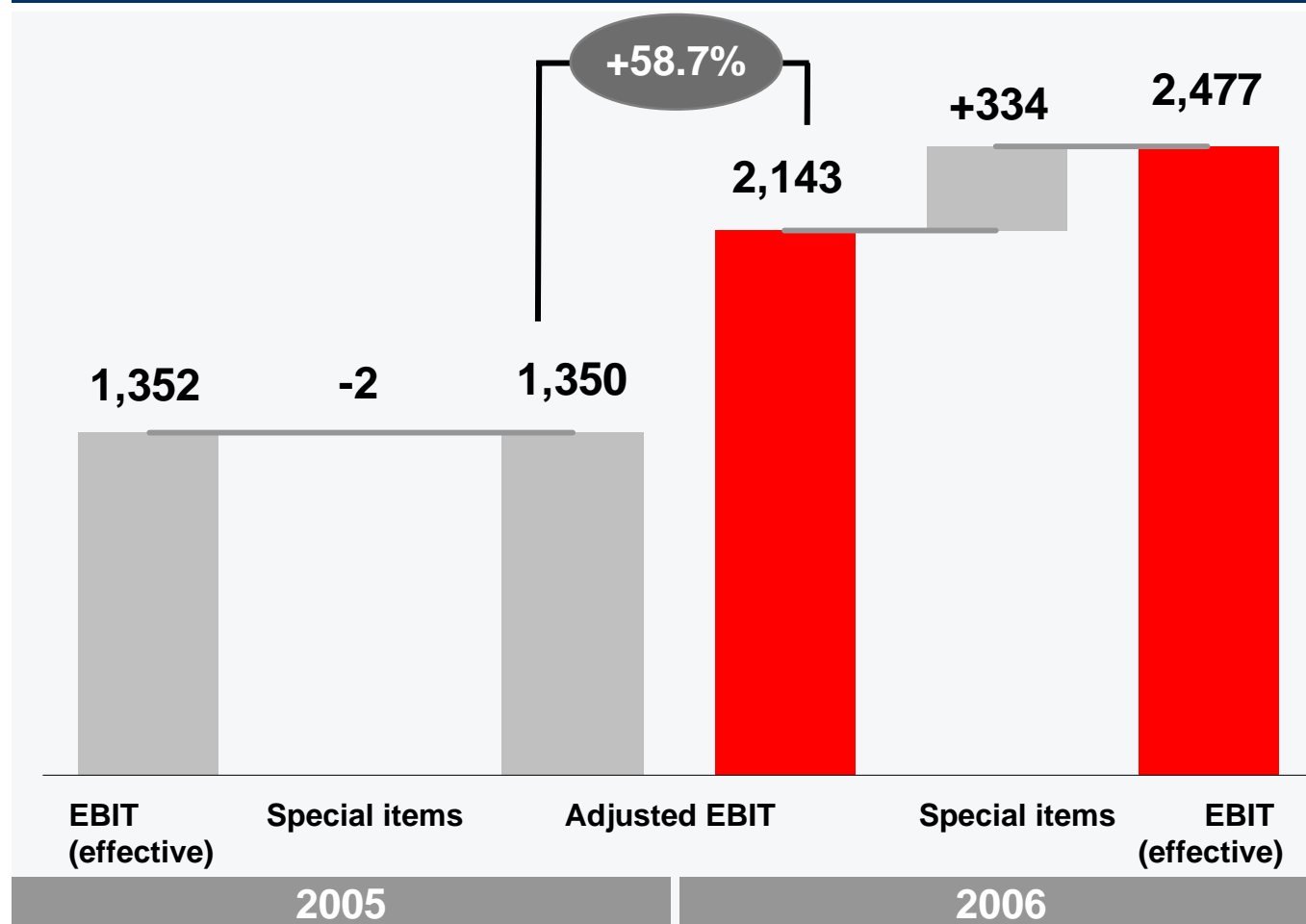
Structure: growth potential realized in line with strategy



EBIT development affected by special items

Derivation from effective EBIT (€ mn)

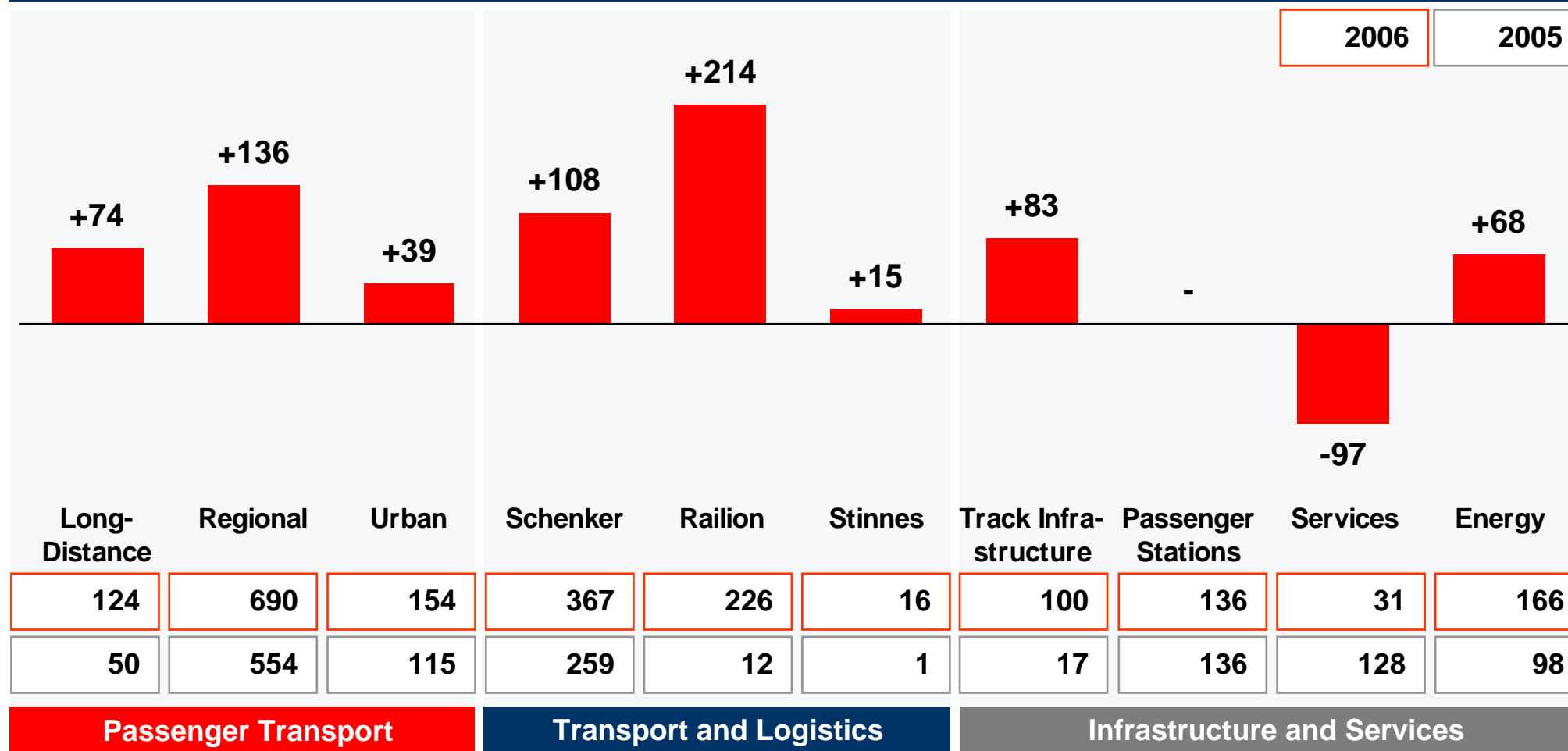
Special items



- 2006**
 primarily accounting profits from sale of financial assets (€70 mn) as well as the effect of the Federal Administrative Court's (Bundesverwaltungsgericht) decision regarding payment to the Federal Border Police (Bundesgrenzschutz) for providing rail police services between 2002 and 2005 (€256 mn)
- 2005**
 accounting profits from the disposal of investments and the establishment of provisions for potential liabilities, which more or less offset each other

EBIT increase broadly based across business units

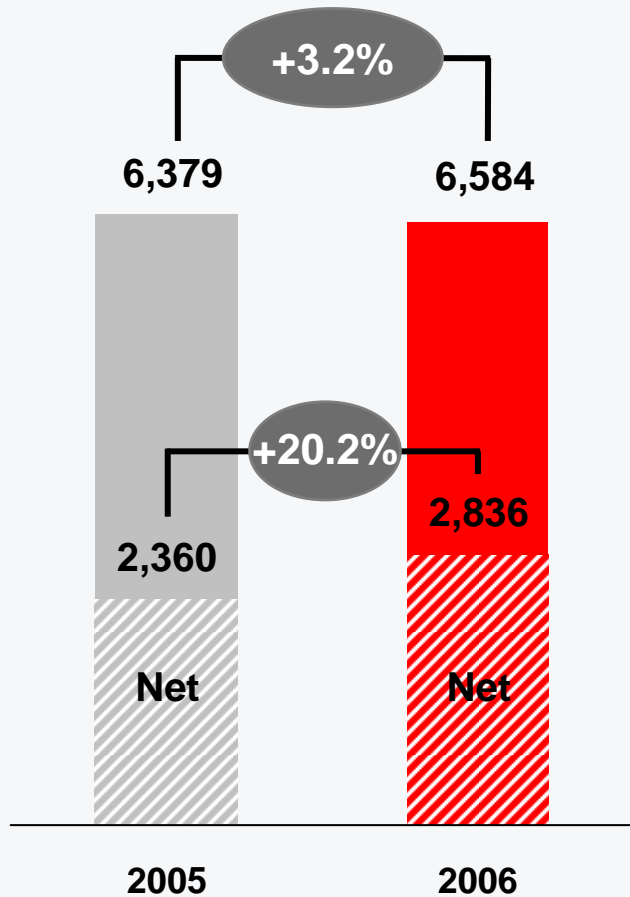
EBIT by business units (€ mn)



Other operating activities incl. holding and consolidation: + € 485 mn vs. 2005

Modernization process continued: capex programs of €6.6 bn

Gross capital expenditures (€ mn)



Split by business units (%)

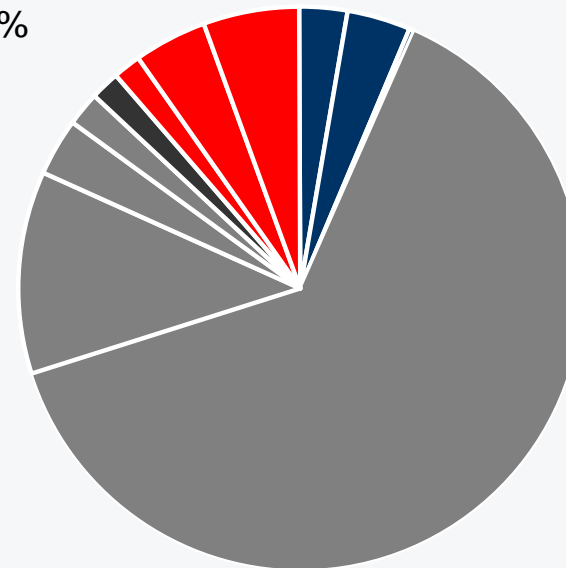


11% Passenger Transport

Regional	6%
Long-Distance	4%
Urban	1%

6% Transport and Logistics

Schenker	3%
Railion	2%
Stinnes	<1%



82% Infrastructure and Services

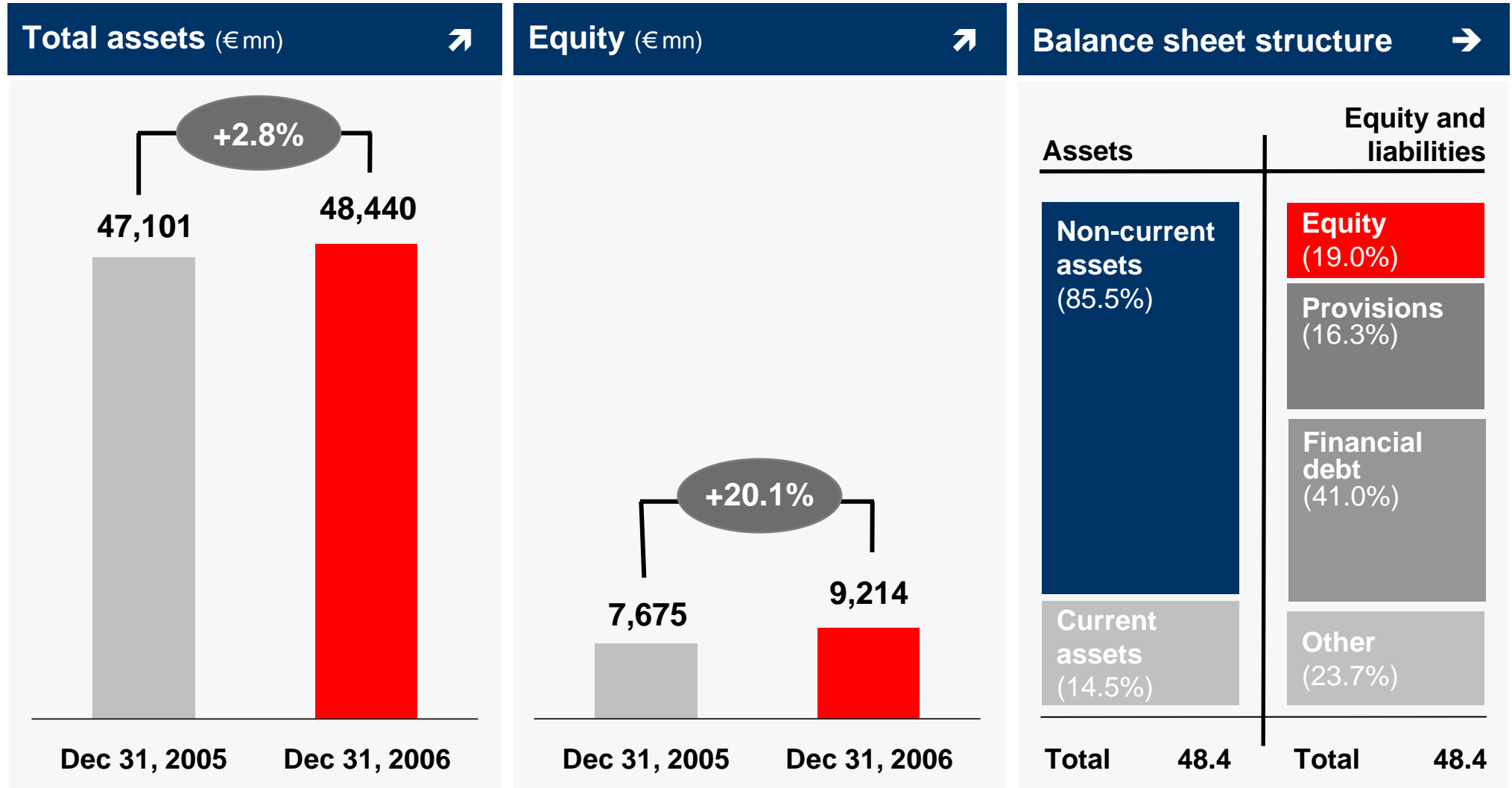
Track Infrastructure	67%	Services	4%
Passenger Stations	10%	Energy	<2%

Other <1%

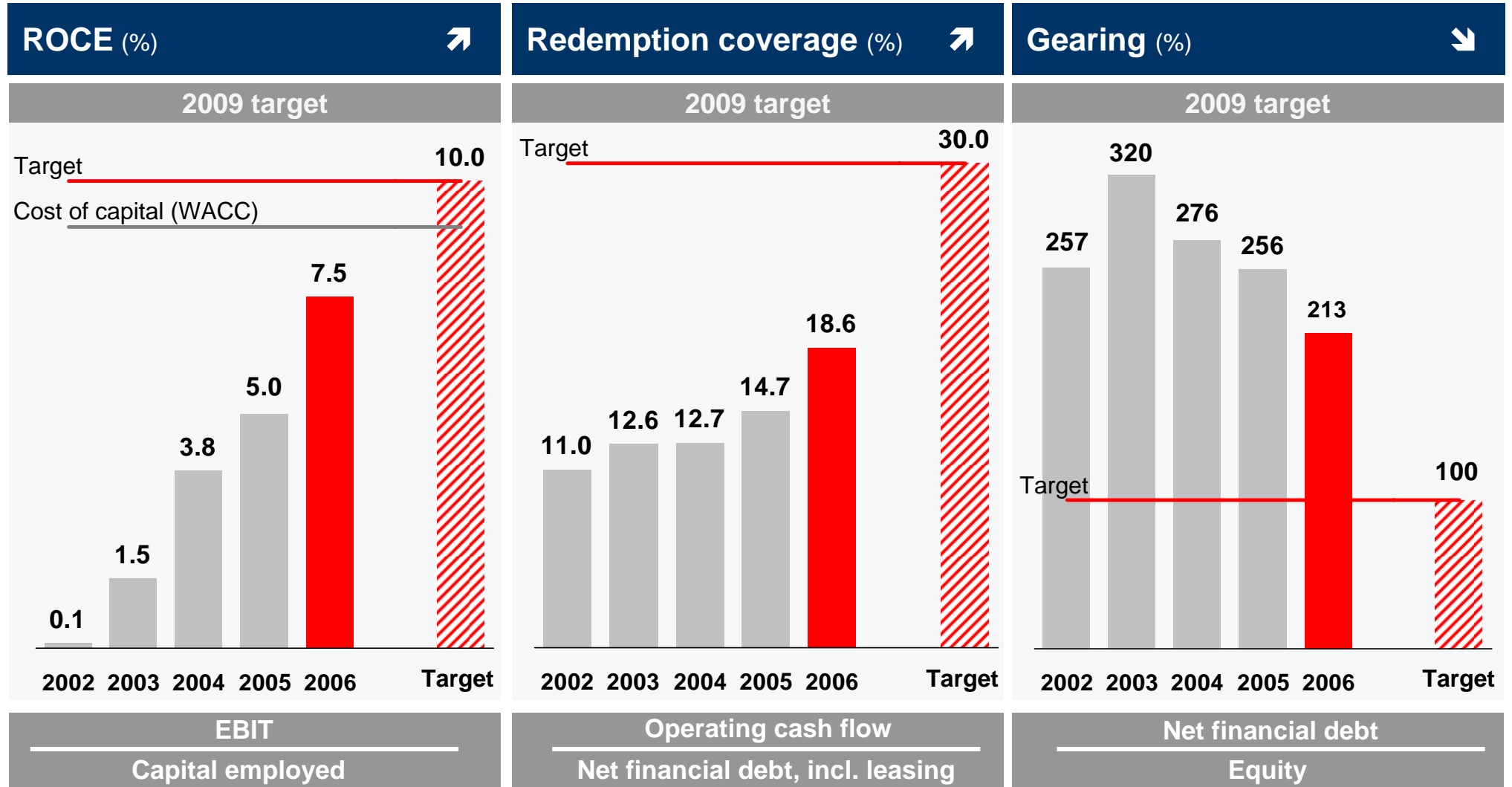
Structure of financial debt

Financial debt (€ mn)	↘	2005	2006	+/-
<p>Net: 19,669 (Dec 31, 2005) vs Net: 19,586 (Dec 31, 2006)</p> <p>Change: €-83 mn</p> <p>Total Debt: 19,974 (2005) vs 19,881 (2006)</p> <p>Change: €-93 mn</p>	Bonds	10,115	11,233	+1,118
	+ Eurofima	1,865	1,609	-256
	+ Commercial Paper	-	357	+357
	+ Bank liabilities (incl. EIB)	2,651	1,571	-1,080
	Subtotal	14,631	14,770	+139
	+ Finance lease (PV)	1,549	1,486	-63
	+ Other	154	25	-129
	Interest-bearing debt	16,334	16,281	-53
	+ Interest-free loans (PV)	3,640	3,600	-40
	Financial debt	19,974	19,881	-93
	- Cash and cash equivalents	305	295	-10
	Net financial debt	19,669	19,586	-83

Structural improvement and slight increase of total assets



Positive development of all value management figures continued



Figures up to 2003 FY according to HGB

Mobility Networks Logistics

Rating and refinancing structure

Rating

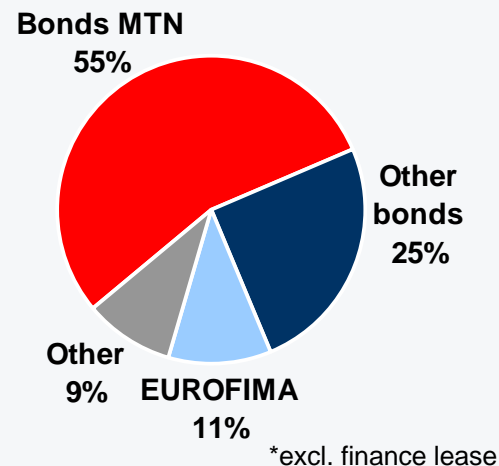
- **Excellent ratings:**
 Moody's: Aa1/stable
 S&P: AA/stable
- Ratings in 2006 confirmed

Major 2006 refinancing activities

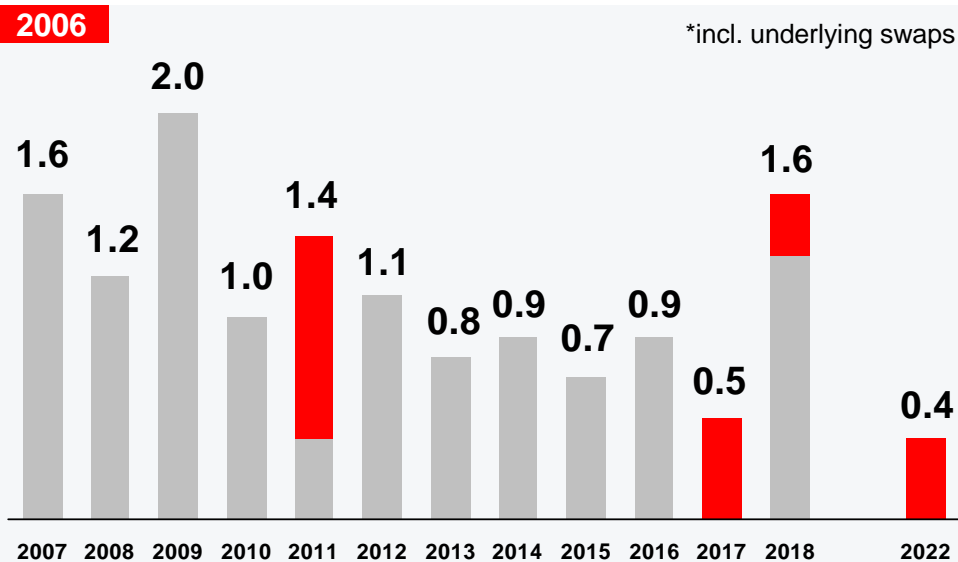
- Total volume in 2006:** 1,789 Mio. €
- USD 800 mn, 5-year bond with a 5.125% coupon (issued 12/05, payment 01/06)
 - USD 400 mn increase of original USD 800 mn bond
 - € 300 mn increase of 4.75% bond issued in 2003
 - € 500 mn, 10-year bond with a 4,00% coupon

Interest-bearing debt* (%)

€14.8 bn
(as of Dec 31, 2006)

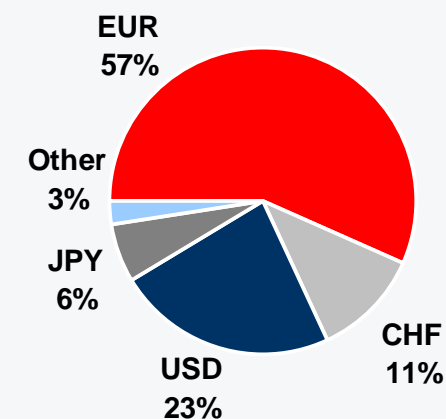


Maturity profile* bonds/EUROFIMA (€bn)



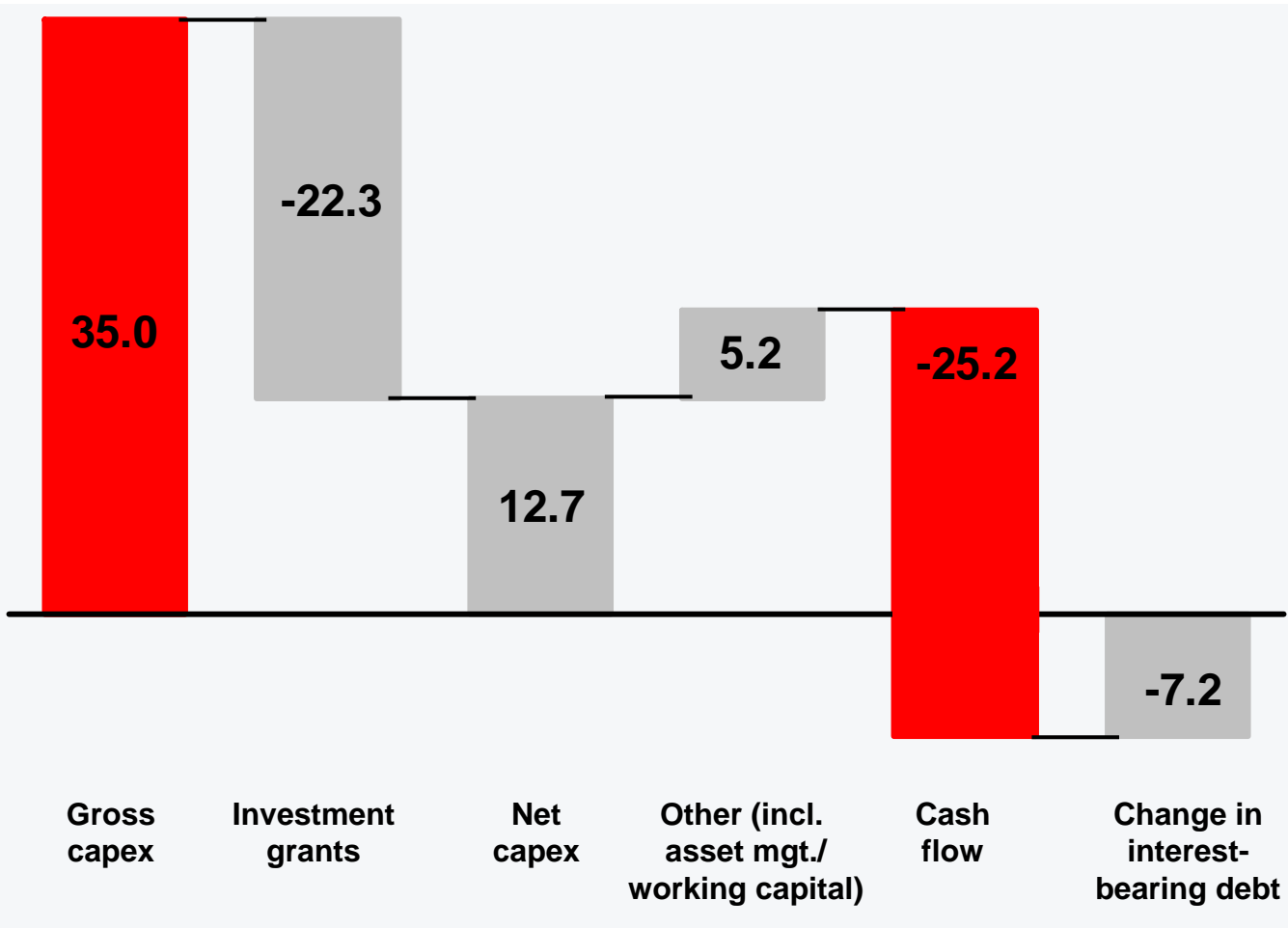
Currency structure Of MTN program (%)

€8.1 bn
(as of Dec 31, 2006)

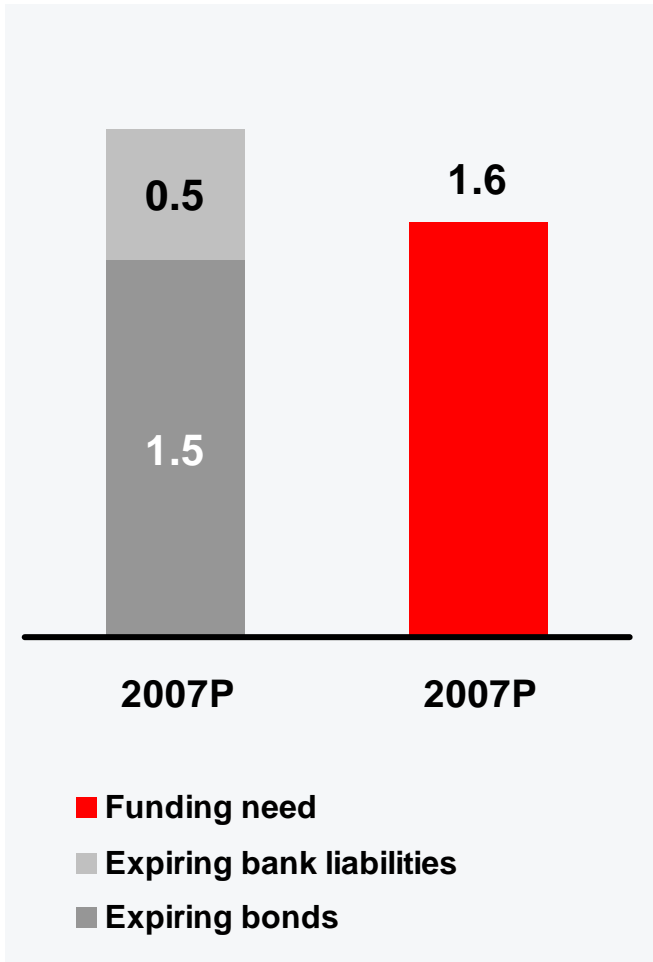


Financing requirements

Capex and financing 2007-11 (€bn)



Capital market activities (€bn)



Focus on rating quality

Very good ratings	<ul style="list-style-type: none"> ■ Ratings: Moody's (Aa1) / S&P (AA) ■ Positive business development ■ Stable financial profile
Obligations of the Federal Republic of Germany	<ul style="list-style-type: none"> ■ Federal obligations resulting from Art. 87e German Constitution <ul style="list-style-type: none"> ▶ „Infrastructure obligations“: High share in funding of infrastructure capex, amounting to around €3 bn p.a. ▶ „Public interest obligations“: Provision of funds for ordering local passenger transport services, amounting to around €6.7 bn p.a. ▶ Privatization threshold: Up to 49.9% of shares to be privatized due to constitutionally mandated Federal majority shareholding („ownership clause“)
Significant responsibility	<ul style="list-style-type: none"> ■ DB guarantees overall mobility in Germany and represents Europe's largest company providing integrated mobility, transport and logistics services.
Operating performance	<ul style="list-style-type: none"> ■ Stable cash flow due to long-term service contracts with Federal states (2006 revenue share: 15%) ■ Vertical integration as a major factor for business success ■ Productivity improved by 245%, EBIT increased by €5.1 bn and total capex of €99 bn since the 1994 German Rail Reform ■ Sound financing structure and conservative funding strategy

Key points on DB AG's partial privatization agreed

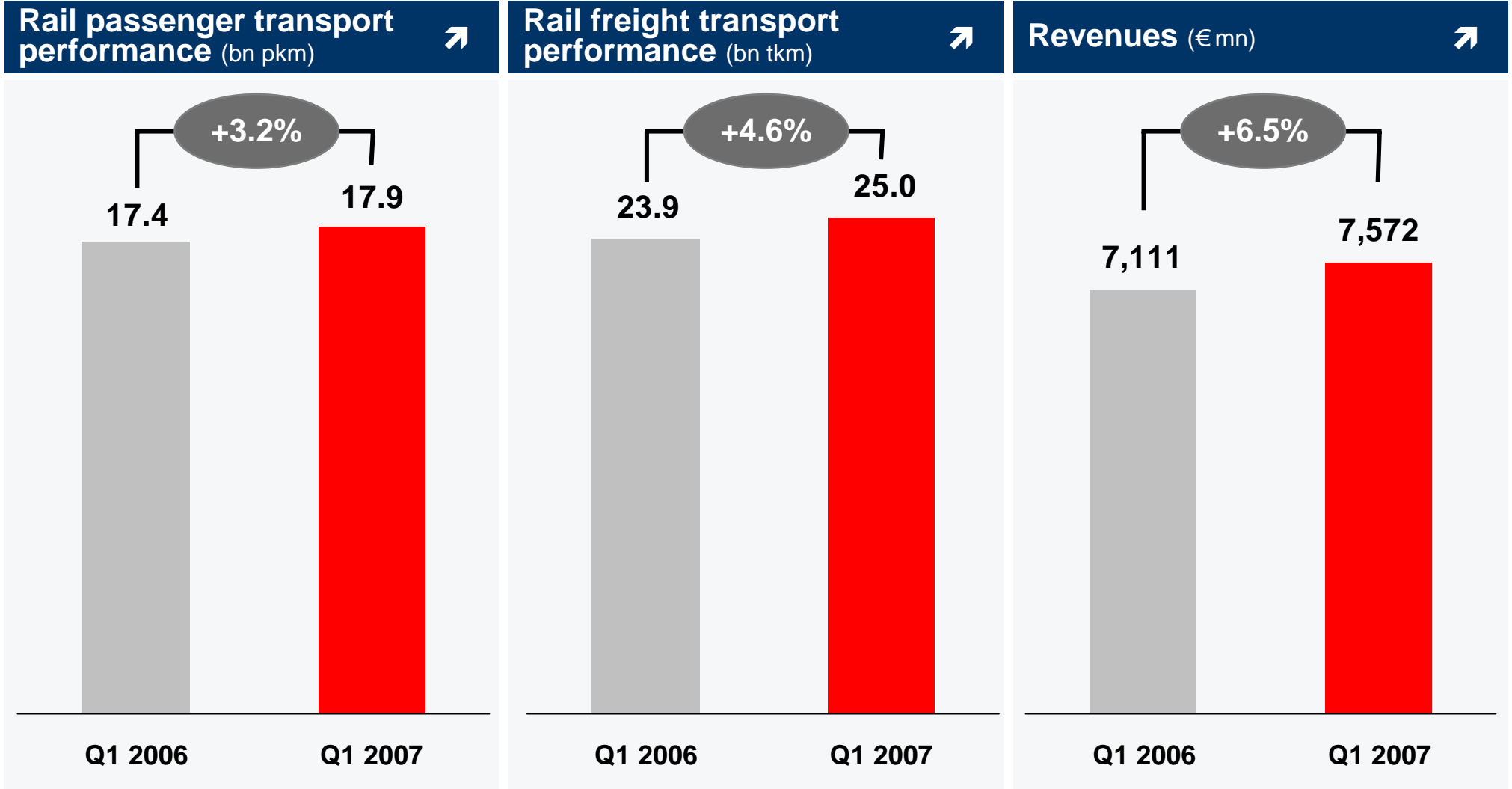
Key points
(based on
Bundestag
printed paper
16/3493)

- Privatization during current legislative period (until 2009)
- DB AG responsible for management/operations and balance sheet recognition
- Internal labor market and employment guarantees to be continued
- Compatibility with EU legislation
- "Fall back" possible through stipulations for reversion
- Evolution of Federal Network Agency's regulatory instruments

Timing

- By year-end 2007: Completion of legislative process possible
- Starting mid-2008: Partial privatization possible

Good start to 2007 Financial Year



Further improvements in 2007 Financial Year

Forecast 2007 Financial Year

- Further improvements of quality and efficiency
- Modernization to be continued
- Further revenue increase by approximately 3%
- Further improvement of adjusted EBIT before special items

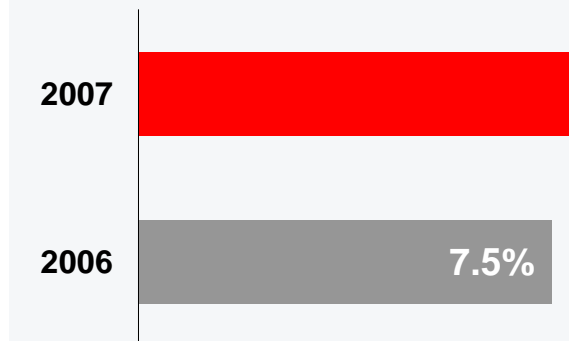
Prerequisites

- Global political stability
- Further economic growth in Germany – but slower than in 2006
- Decrease / no further increase of energy prices

Revenue forecast (€ bn) ↗



ROCE forecast (%) ↗



Disclaimer

Disclaimer

This information contains forward-looking statements or trend information that are based on current beliefs and estimates of Deutsche Bahn's management and involves known and unknown risks and uncertainties. They are not guarantees of future performance.

In addition to statements which are forward-looking by reason of context, including without limitation, statements referring to risk limitations, operational profitability, financial strength, performance targets, profitable growth opportunities, and risk adequate pricing, as well as the words "may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, or continue", "potential, future, or further", and similar expressions identify forward-looking statements.

These forward-looking statements are subject to certain risks and uncertainties that could cause the Company's actual results or performance to be materially different from those expressed or implied by such statements. Many of these risks and uncertainties relate to factors that are beyond Deutsche Bahn's ability to control or estimate precisely, e.g. future market and economic conditions and the behavior of market participants. Deutsche Bahn does not intend or assume any obligation to update these forward-looking statements.

This document represents the Company's judgment as on the date of this presentation.

Organizational structure

Shareholder: Federal Republic of Germany (100%)

DB Group

DB AG as management holding

Supervisory Board (10 representatives each for shareholders and employees)

Management Board

Chairman	Finance/Controlling	Economic and Political Affairs	Personnel
Integrated Systems Rail	Passenger Transport	Infrastructure and Services	Transport and Logistics
Group functions	BU Long-Distance Transport BU Regional Transport BU Urban Transport	BU Track Infrastructure BU Passenger Stations BU Energy BU Services	BU Schenker - Land Transport - Air/Ocean Freight - Contract Logistics/SCM BU Rail Freight - Rail Freight - Intermodal
Service functions			

BU = Business Unit

Key figures 1996 – 2006

(€ mn)	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Rail passenger transport performance (mn pkm)	74,788	72,554	70,260	69,534	69,848	74,459	74,388	72,846	71,853	71,630	71,028
Rail freight transport performance (mn tkm)	96,388	88,022	89,494	85,151	82,756	84,716	85,008	75,785	73,273	72,614	67,880
Revenues	30,053	25,055	23,962	28,228	18,685	15,722	15,465	15,630	15,348	15,577	15,452
Income before taxes	1,555	490	154	-133	-438	-409	37	91	201	183	369
EBIT before special items	2,143	1,350	1,011	465	37	109	450	71	260	300	319
EBITDA	5,427	4,153	3,866	3,092	2,464	2,271	2,492	2,036	1,997	1,920	1,658
Cash flow from business operations	3,678	2,652	2,736	-	-	-	-	-	-	-	-
Total assets	48,440	47,101	47,616	47,647	46,023	41,962	39,467	37,198	34,961	33,892	29,622
Gross capex	6,584	6,379	7,238	9,121	9,994	7,110	6,892	8,372	7,660	7,136	7,771
Net capex	2,836	2,360	3,251	4,013	5,355	3,307	3,250	3,229	3,040	6,223	5,056
Rating	Aa1 AA	Aa1 AA	Aa1 AA	Aa1 AA	Aa1 AA	Aa1 AA	Aa1 AA	-	-	-	-
Employees (as of Dec 31)	229,200	216,389	225,632	242,759	250,690	214,371	222,656	241,638	252,468	268,273	288,768

Figures until 2003 FY according to German GAAP