Mobility
Networks
Logistics

Deutsche Bahn AG

2011 Management Report and Financial Statements

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CHAIRMAN'S LETTER

Dear ladies and gentlemen,

The 2011 financial year was a very good year for DB Group. Our concerted efforts enabled us to post record revenues of € 37.9 billion, which equates to an increase of more than 10 percent year on year. Every day last year, we demonstrated to our customers what it means to be proactive about service quality. We implemented large-scale infrastructure projects. We entered new markets, both in regional and rail freight transport. And we hired close to 10,000 new employees and some 3,600 trainees, whom we welcomed into our corporate family.

All of this took a tremendous team effort. The entire Group Management Board would therefore like to thank all of our 295,000 employees for their hard work. We would also like to thank our customers and partners, who continued to place their trust in us in 2011 as we grow to become the world's leading mobility and logistics company.

This trust formed the foundations of our favorable financial results in 2011. Our newly established business unit DB Arriva contributed to our record revenues with additional revenues of roughly € 2 billion, due to the first-time full inclusion. But revenues of € 35.9 billion on a comparable basis are still significantly above the pre-crisis 2008 level and 4.3 percent higher than in the previous year. With adjusted EBIT of € 2.3 billion, we achieved an approximately 24 percent year-on-year increase in our operating profit.

DB Schenker was the main driver behind this growth. Rail freight transport and logistics benefited from favorable economic developments last year. Passenger transport, which accounted for almost half of our adjusted EBIT, remained stable at a high level, as all passenger transport business units posted higher adjusted EBIT.

DR. RÜDIGER GRUBE
CEO and Chairman
of the Management Board
of Deutsche Bahn AG

For us, this result means that we have overcome the impact of the 2008/2009 global economic crisis and are excellently positioned. Nonetheless, we felt the effects of an economic slowdown in 2011. This was most evident in the air cargo business, which declined significantly towards the year end. Experts currently project global economic growth of up to 2.5 percent in 2012, but no growth for the Eurozone. There is still much uncertainty and risk, and we must therefore be prepared for further volatility.

Nonetheless, our efforts remain focused on the customer, and on service and operational quality. We achieved a new level of openness and transparency in our communication with customers. Since September 2011, we have been publishing a detailed monthly report online of the punctuality figures for our long-distance and regional trains in Germany. And since the end of the year, we have been using Facebook and Twitter to rapidly disseminate information and respond to customer inquiries.

Last year, we invested € 70 million in winter preparations alone to improve operational quality, purchasing additional deicing facilities, switch heaters and snow removal vehicles, for example. We ordered new regional transport trains, while the ICx contract, which will mark the dawn of a new era in long-distance transport in 2016, represents the largest single investment in DB Group's history. We also started to modernize our ICE 2 fleet.

Many of our stations were made more comfortable, more attractive and more environmentally friendly last year. In December, we concluded all the projects in connection with the Federal Government's economic stimulus program on time. Some 2,100 passenger stations in Germany benefited from this program. Station upgrading efforts are continuing this year in full force.

We completed major track infrastructure construction projects. One project relating to the existing network was, for example, the modernization of the Berlin–Hanover–Bielefeld route. Within just five months, we renewed or refurbished over 186 kilometers of track, 21 switches, some 130,000 ties, and no less than 110,000 tons of ballast. To minimize disruptions for passengers, work was confined to one set of tracks at a time, allowing trains to continue to operate on the parallel tracks.

In terms of new construction projects, 2011 was the year of the tunnel. In the German unification transport project (VDE) no. 8 alone, which focuses on the newly built and expansion lines between Nuremberg – Erfurt – Leipzig/Halle and Berlin, there were no less than six tunnel breakthroughs last year. All 25 tunnels on this line are now under construction. VDE no. 8 is an important rail project for Germany that will cut travel time between Munich and Berlin to four hours.

Stuttgart 21 is another key project, in conjunction with new construction of the Ulm – Wendlingen route. Stress testing for the new station in July 2011 confirmed its viability. In November, the citizens of Baden-Württemberg voted clearly in favor of continuation of the project in a referendum, with more than 58 percent of the population approving. Work is now proceeding at top speed to allow the population of southwest Germany to enjoy the benefits of the new station as soon as possible.

We also entered new markets in 2011. These include the commencement of bus and regional train services in Malta and Sweden. We won Sweden's largest ever local transport tender procedure, in Stockholm. Services will commence in two stages scheduled for August 2012 and January 2013. We acquired the UK firm Grand Central Railway, marking our debut in open-access operations in the UK.

For the first time, we are offering rail freight transport services with continental loading dimensions between London and Continental Europe, for example to Wrocław. There is great demand, so more direct connections from London are being planned.

Key decisions were made in 2011 on how to defend our strong competitive position in the market. Social and environmental considerations are becoming increasingly important to ensuring business success, alongside focusing on the customer and profitability issues. We therefore signed a contract for the supply of some 900 million kilowatt-hours of hydroelectric power, are now sourcing electricity from three wind farms, and supported the construction of the first ever hybrid power plant. Over the next few years, we will be systematically working to employ more renewable energy and reduce our specific CO_2 emissions. Our goal is to be a leader on environmental issues. Accordingly, we have resolved to cover at least 35 percent of our energy needs with renewable energy sources by the year 2020.

We are similarly committed to enhancing our attractiveness as an employer. The first measures among many in 2011 included the introduction of fixed-term executive sabbaticals and a resolution to increase the proportion of women among both regular staff and management. We face challenging hiring needs, requiring between 5,000 and 7,000 new employees every year. We need people who are enthusiastic about working for Deutsche Bahn and our customers. Because customer satisfaction cannot be achieved without such people.

We are endeavoring to strike the right balance between profitability, social aspects and environmental concerns. This is no easy task for an enterprise, but we believe that this is the right course of action in order to secure not only DB Group's business success, but also its position within society in the long term.

Sincerely yours,

Dr. Rüdiger Grube
CEO and Chairman of the Management Board
of Deutsche Bahn AG

MANAGEMENT REPORT

OVERVIEW

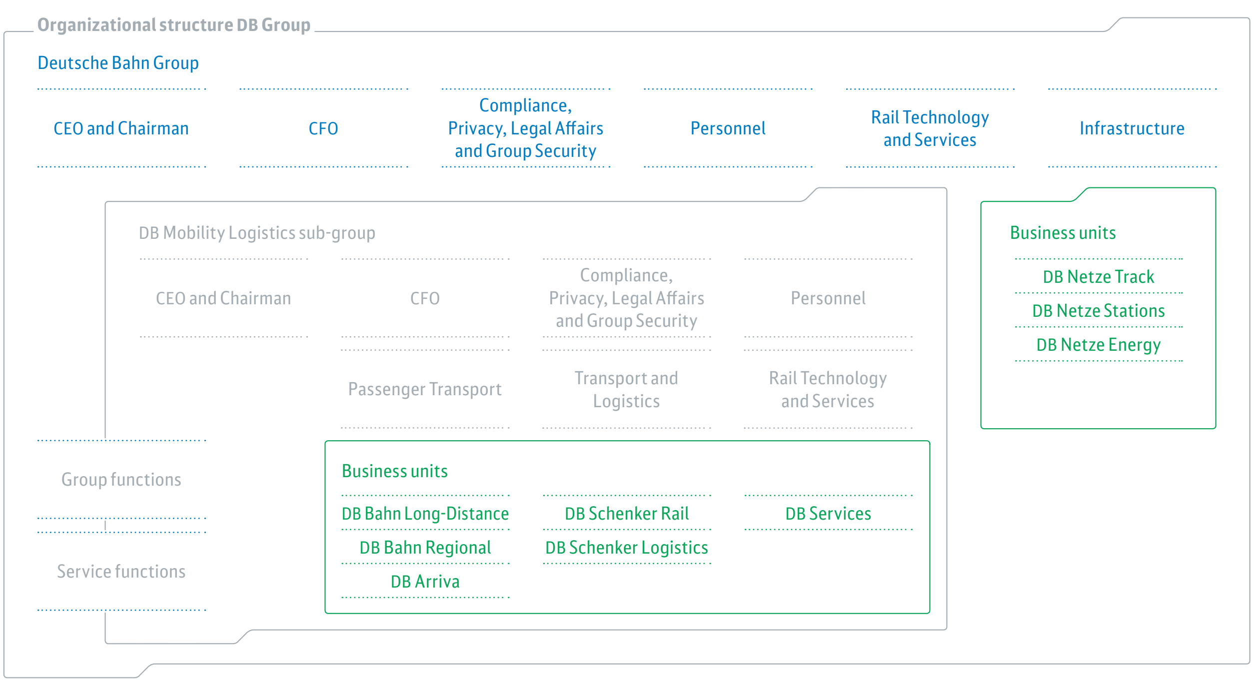
::: POSITIVE UNDERLYING CONDITIONS FOR DB GROUP
::: FAVORABLE DEVELOPMENT OF SUBSIDIARIES LEADS TO RISE IN INVESTMENT INCOME
::: FINANCIAL SITUATION IN THE YEAR UNDER REVIEW HARDLY AFFECTED NEGATIVELY BY SPECIAL ITEMS ON THE WHOLE

Deutsche Bahn AG (DB AG) has been a public listed company in accordance with German law since it was founded in 1994 and accordingly has a dual management and controlling structure comprising a Management Board and Supervisory Board. The business portfolio of Deutsche Bahn Group (DB Group), which is led by DB AG, encompasses nine business units.

Following the restructuring that took place in 2008, DB AG manages the DB Netze Track, DB Netze Stations and DB Netze Energy business units directly. The remaining six business units fall under the management of the wholly owned subsidiary, DB Mobility Logistics AG (DB ML AG). Within DB Group, DB AG and DB ML AG both function as management holding companies that lead the Group. In order to ensure an integrated Group management approach, the DB AG Management Board's meetings are normally held concurrently with the meetings of the DB ML AG Management Board. The business units are responsible for conducting business operations. The Group structure is completed by central Group and service functions, some of which are performed by DB AG while others are carried out by DB ML AG.

The economic development of DB AG is significantly influenced by the investment income that is driven by the developments of DB Group. In a continually dynamic *business environment* [1] that admittedly diminished slightly in the course of the year, DB Group was once again able to achieve significant volume increases in the 2011 financial year and thus continue on its course of growth. This is particularly the case for European land transport, rail freight transport and ocean freight.

DB AG, too, was able to participate in DB Group's positive development. Special items did not on the whole have any noteworthy effect on the *business performance* [2]. As a result, investment income and the result from ordinary business activities rose noticeably.



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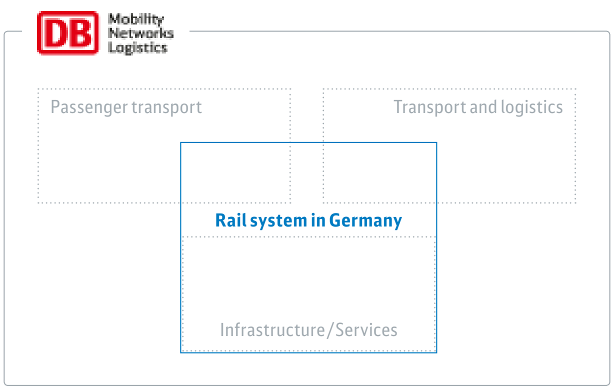
CORPORATE STRATEGY

::: FOCUS ON SOLIDIFYING AND EXPANDING OUR MARKET POSITIONS
::: SUSTAINABILITY AS A BASIS FOR LONG-TERM SUCCESS
::: CLEAR STRATEGIC FOCUS IN THE OPERATING DIVISIONS



Focus on solidifying and expanding our market positions

In order to maintain competitiveness, our objective is to continue to strengthen and expand our solid basis in all of our relevant markets.

DB Group is successful in all segments of the transport market (passenger transport, infrastructure as well as transport and logistics) and provides services on a national and international level. We are active worldwide and are represented in over 130 countries. Our objective is to convince customers with the quality of our services and to continue to improve our profitability and financial strength.

In the area of passenger transport, our objective is to maintain our strong market position in Germany over the long term while sustainably strengthening our position in Europe. The European passenger transport market became even more important to us following our acquisition of Arriva in 2010.

The gradual opening of European rail markets represents an important strategic perspective for our rail activities: in the area of long-distance rail passenger transport, the cross-border transport market has been open since 2010. We want to exploit the opportunities for growth generated by this opening with our own competitive services and with services offered in partnership with other railways. Together with other railways and the industry, we also seek to continue to advance technical standardization in order to achieve the harmonization of interfaces and processes between infrastructures and transport operators throughout Europe in particular.

In regional and urban transport contracts are increasingly being put out for tender all over Europe and we want to increasingly benefit from this situation in the future. Since acquiring Arriva, we have been active in the regional bus and/or rail transport business in 12 European countries and thus have a good platform for further growth.

We also strategically positioned ourselves early on in the transport and logistics sector to meet current and future market demands. DB Schenker Logistics represents our international logistics expertise. Our extensive internationally oriented service portfolio in worldwide air and ocean freight and contract logistics, as well as a dense network in European land transport, enable us to take advantage of opportunities arising in strongly growing markets. By expanding our high-performance, international logistics networks for land transport, we ensure customer contact in our markets and open up new opportunities for growth. The rail freight transport business unit benefits from this, for example due to intermodal transport chains and synergy effects.

The demand for international logistics services is rising due to the increasing internationalization and cross-border orientation of production structures and material flows in our customers' markets. We are meeting these challenges with intermodal transport chains and integrated products and sector solutions. The European rail transport market has been completely liberalized since 2007. In this respect, we serve all the relevant corridors and are active in all the key European countries with our own subsidiaries or partnerships.

In Germany, we have assumed dual responsibility for rail transport as a result of our integrated Group structure, making us both the operator and leading user of the track infrastructure. We want to further develop rail transport thereby additionally strengthening the transport infrastructure, which is so important for Germany as a business location. At the same time, we are creating the prerequisites needed to master the increasing flows of traffic in Europe. In this respect, in addition to the rail network and passenger stations, we are ensuring the energy supply for the train operating companies in Germany.

Our know-how is increasingly in demand for the realization of rail projects worldwide. Our DB International subsidiary participates in rail projects in various roles and we export our knowledge on the construction and operation of high-performance and integrated transport systems all over the world.

Sustainability as a basis for long-term success

Both during and after the economic and financial crisis in 2008 and 2009, we were able to assert ourselves better than most of our competition. Our success in overcoming the crisis only provided temporary relief, however, as we still face a wide variety of challenges. The financial markets are still very volatile and marked by uncertainty. The significant increase in debt among European countries will boost the pressure to consolidate, and could thus lead to potential bottlenecks in public funding for the transport sector. The megatrends relevant to us – globalization, liberalization, climate change and scarcer resources, as well as demographic changes – continue to be prevalent and in some cases are even becoming more dynamic.

In particular, increasing globalization and liberalization raise the demand for intelligently networked, cross-border transport concepts that ensure an optimal use of resources. The associated positive outlook for growth and profits will likely result in an additional increase in the intensity of competition. We are well prepared for these developments.

Climate change and the increasing scarcity of natural resources are continuing at a rapid rate. The general public is increasingly calling on the transport sector to play its part in climate protection. At the same time, increased environmental consciousness can be observed in both companies and consumers, therefore resulting in an increased demand for environmentally friendly products. We see great potential in this area of activity for the future.

Demographic change leads to significant shifts in population and age structures in society. On the one hand, a sharp increase in the global population can be observed in developing countries and emerging markets that will require future-oriented mobility solutions, in particular in cities. Conversely, the Western world is faced with an aging population. This is exacerbated by a lack of qualified workers that can already be felt strongly. For example, in the future DB Group will need 5,000 to 7,000 new qualified employees each year in Germany alone. The growing scarcity of qualified workers coupled with a development towards a market that favors workers not only requires concerted efforts in personnel recruitment, but it also places an increasing focus on employee retention. Becoming and remaining an attractive employer is significant for success in both cases.

After all, we still face challenges in how well our products and vehicles perform, which has a major influence on our customer satisfaction levels and our image. A high level of customer satisfaction and a positive image are key factors for our enduring economic success.

These diverse developments and challenges require an approach that considers the basis of long-term success to be an environmentally friendly use of resources and a high level of acceptance both in society and as an employer. Only through such an approach will we remain viable and thus ensure the continued success of our company in the long term. That is why it is important for us to look at the triad of economic, social and ecological dimensions as an integrated whole.

VISION AND GOALS GEARED TOWARD SUSTAINABILITY

Our vision remains unchanged: we intend to become the world's leading mobility and logistics company. In order to achieve this goal, we have to develop our leading position in relation to the economic, social and ecological dimensions and bring these together. We will only be able to attain sustainable success for our company and secure acceptance in society if we establish ourselves as a leading company in all three dimensions. Within these three dimensions of sustainability, we have therefore set ourselves the following leadership goals: we want to be a profitable market leader, a top employer and an eco pioneer.

Vision and targets

Our vision: we intend to become the world's leading mobility and logistics company

Sustainable business success and acceptance in society

Economic	Social	Environmental
Profitable market leader	Top employer	Eco pioneer
As a profitable market leader, we provide our customers with first-class mobility and logistics solutions.	As a top employer, we are able to acquire and keep qualified employees who work with enthusiasm for our company and our customers.	In our role as eco pioneer, we set the benchmark for the efficient use of the available resources with our products.

Profitable market leader

As a profitable market leader, we provide our customers with first-class mobility and logistics solutions. There are two important aspects in achieving this leadership goal, namely improving our customer and quality orientation and continuing on our profitable growth path.

We have already set in place a number of measures to improve customer and quality orientation. With our *customer and quality initiative* [1] in particular, we have made significant progress in many areas (for example, in the availability of our vehicle fleet and customer information), which enabled us to stabilize and improve the quality of our rail transport in Germany. By investing in modernization (for example, the redesign of the ICE 2) and expansion (for example, procuring new ICE 3 trains) we strengthen our vehicle fleet. Customer satisfaction will continue to be the focus of our activities in the future. We will place more emphasis on gearing our business processes toward the needs and demands of our customers and will firmly establish customer orientation in our company with regard to product and performance quality. To this end, we will continue with, combine, and expand existing quality measures and will continually improve our performance.

We successfully navigated the economic and financial crisis while defending or even expanding our leading market positions. We will continue on this course of growth by systematically exploiting the synergies made possible by the integrated Group. In addition, we will use the emerging market opportunities, for example with new services such as intelligent, integrated mobility and logistics solutions from a single source. To do so, we must continue to strengthen and improve our network in terms of transport flows and, at the same time, expand it wherever there are gaps, both nationally and internationally.

Top employer

As a top employer, we are able to acquire and keep qualified employees who work with enthusiasm for our company and our customers. In order to achieve this goal, we will press on with the *cultural change* [2] we have already initiated. An essential part of this is promoting employee development, thereby achieving a high level of employee satisfaction.

In particular in view of the increasing need for qualified workers, we must intensify our efforts in developing our employees and increasing loyalty and in creating attractive employment conditions. However, that alone is not enough. The growing need for qualified staff requires us to envision our company as a recruiting organization. We have therefore introduced additional personnel recruitment measures and we will continue to strengthen our activities in this area. We also want to step up our efforts to employ more women in our company, as mixed teams have been empirically proven to have better results. For example, we have set an internal goal to significantly increase the proportion of women in general to 25 % and in management positions to 20 % by 2015. Increasing our attractiveness as an employer is at the core of these efforts.

In addition to being a responsible and attractive employer, we also seek to be a recognized member of society and will continue to expand our *social commitment* [3]. For example, as part of this, we will continue to support dialog between our company and the general public.

Eco pioneer

In our role as an eco pioneer, we set the benchmark for the efficient use of the available resources with our products. Environmental friendliness is part of our brand and service promise. Rail has already a significant advantage in environmental friendliness. In long-distance passenger transport, rail has three to four times lower CO_2 emissions compared to motorized individual transport or air transport. In freight transport, rail

[1] Page 31, [2] Page 31 f., [3] Page 34

has four times lower CO_2 emissions compared to land transport and 34 times lower emissions than air transport. We want to further expand this leading position in terms of environmental friendliness.

Our goal is initially to increase the share of renewable energies to 35% by the year 2020. Then, by 2050, our vision is to have all traction current in Germany come from renewable sources of energy.

Thanks to our green products and offers such as Environment Plus in passenger transport and our Eco Solutions in the transport and logistics division, we have been able to gain new customers while at the same time taking further steps to reduce CO_2 emissions. We want to further establish green products through intensive marketing and actively create a demand for them. In addition, we are continually increasing the energy efficiency of our operations and production, including by renewing our vehicle fleet (for example procurement of the ICx). Our goal is to reduce our specific CO_2 emissions by 20% worldwide and across all modes of transport by 2020 compared to the levels in 2006.

Clear strategic focus in the operating divisions

OFFERING CONVINCING MOBILITY OFFERS THROUGHOUT EUROPE

Within the German passenger transport sector, we are continuing to raise the performance capabilities of our rail products and are integrating individual services to form comprehensive mobility solutions. We are linking our modes of transport to create comprehensive travel chains in order to provide our customers with integrated door-to-door solutions from a single source, thereby offering them a competitive and ecologically beneficial alternative to motorized individual transport. We operate efficient and integrated transport networks in the local and long-distance transport. The links in these networks are continually improved in line with customer requirements, thereby generating optimized connection possibilities to make time-saving travel a reality. We work closely with our end customers, as well as other companies and policymakers when developing additional products for our range of mobility offers.

Customer demands for transparent travel information and integrated transport services are being met with new offers. For example, the new transport mode comparison at www.bahn.de assists customers in choosing the most appropriate mode of transport by comparing various options with regard to price, travel time, productive time and environmental impact. By actively using our Twitter channel and Facebook page, we seek to enter into a more active dialog with our customers, thereby making it easier for them to contact us directly with questions or problems. By integrating various individual systems into a comprehensive offer, we provide our customers with all of the travel information they need and make it easier for them to book various mobility options from a single source.

With the successful implementation of *Touch & Travel* [1] in long-distance transport in Germany as well as in the local transport networks in Berlin, Potsdam and Frankfurt am Main, our customers are able to use a cell phone as a ticket for various modes of transport. This link and our extensive platform for ticket sales allow customers to reduce their mobility costs and benefit from a more comprehensive offer.

In addition to these developments, we also want to use the advantages of rail as an environmentally friendly and energy-saving mode of transport to a greater extent in the future by offering innovative solutions and green products. For example, thanks to our car sharing model, Flinkster, we actively support the *BeMobility Project* [2], the objective of which is to create a carbon-free network of electric vehicles and public transport.

Our rail transport in Germany faces challenges due to the open access to the German transport market and the resulting high level of competition. At the same time, the liberalization of European passenger transport offers great opportunities for growth that we want to take advantage of with new cross-border long-distance transport offers, such as our planned direct connection to London.

We restructured our regional transport activities in the year under review: all of our activities in passenger transport outside of Germany are now bundled under the umbrella of the DB Arriva business unit. Our activities in the German regional transport market have been completely managed by the DB Bahn Regional business unit since the year under review.

[1] www.touchandtravel.de, [2] www.bemobility.de

Based on our position in the domestic market and on the international transport services of DB Arriva, we are now one of the leading mobility providers in Europe. From this position, we are pursuing the objective of consolidating our position as a leading mobility provider in Germany, while continuing to expand this role in Europe.

COMBINING EFFICIENT GLOBAL NETWORKS WITH STRONG EXPERTISE IN LOGISTICS

We have positioned ourselves as one of the world's leading transport and logistics service providers under the DB Schenker brand name. We have achieved this because of our tightly knit networks in European rail freight transport, European land transport, and global air and ocean freight, and thanks to our industry-specific expertise in global contract logistics. This structure enables us to fulfill the growing expectations of our customers in terms of handling global transport and integrated offerings.

DB Schenker's strategy is based on three strategic thrusts that proved to be stable and successful even during the economic and financial crisis. These are:

- the continued optimization of our core business
- the further development of our transport networks
- the expansion of integrated services and industry solutions

The transport sector will play a key role in view of the increasing importance of climate change. DB Schenker's goal is to become the leading green logistics service provider and to decouple transport growth from CO_2 emissions.

OFFERING HIGH-QUALITY SERVICES FROM A SINGLE SOURCE

The DB Services business unit provides services mainly for DB Group companies in the areas of vehicle maintenance, information technology, telecommunications services, facility management, security services and fleet management. By lowering intra-Group costs for services while simultaneously securing a marketable quality and service level, the DB Services business unit makes a significant contribution to the future of DB Group. In particular, it achieves this by additionally integrating the customers' value-added chains, by enhancing synergies within the Group and by using non-Group business activities to ensure capacity utilization and to benchmark quality and prices.

The DB Services business unit plays an active role in creating job security within DB Group by offering a large number of positions to employees from the Group-wide job market.

GUARANTEEING A RELIABLE AND AFFORDABLE INFRASTRUCTURE

The Infrastructure business units are the basis for safe, reliable and efficient rail transport in Germany. They provide a wide range of products and expertise relating to lines, facilities, stations and energy supply. In doing so, the business units focus on the needs of their customers respectively passengers, train operating companies, trading and service companies as well as authorities – and they structure their service offerings and associated pricing systems for the use of the infrastructure on a non-discriminatory basis.

The Infrastructure business units will continue to act as commercial enterprises, minimizing production costs and further improving profits, in order to secure rail's competitive advantage as a mode of transport in the long term. The positive development of the track infrastructure in Germany is due to the integrated structure of DB Group in which the infrastructure activities are consistently run with an entrepreneurial focus. In addition, DB Group assumes overall responsibility for the rail mode of transport. This is reflected in the great contribution that DB Group makes available for financing investments in infrastructure. Of the nearly € 95 billion in infrastructure capital expenditures since 1994, DB Group has financed approximately € 17 billion, or nearly € 1 billion annually, from its own funds. This was in addition to the redemption and repayment of interest-free loans and investment grants that amounted to nominal € 12 billion over the entire period. DB Group plans to maintain this high contribution in the years to come. In addition, the dividends paid out by DB AG for the first time in the year under review will be used by the German Federal Government to stabilize and strengthen infrastructure financing.

BUSINESS AND OVERALL CONDITIONS

::: NO SIGNIFICANT CHANGES IN GROUP PORTFOLIO
::: POSITIVE BUSINESS ENVIRONMENT WITH WEAKENING TENDENCIES
::: MOSTLY FAVORABLE DEVELOPMENT IN RELEVANT MARKETS

Changes in DB Group

NO CHANGES IN THE EXECUTIVE BODIES OF DB AG

In the year under review, there were no changes in either the Management Board or the Supervisory Board of DB AG.

Effective September 21, 2011, the Board division Compliance, Privacy and Legal Affairs was renamed as Compliance, Privacy, Legal Affairs and Group Security.

In its meeting on December 14, 2011, the Supervisory Board extended the mandate of Dr. Volker Kefer as Board member in charge of the Infrastructure division as well as the Rail Technology and Services division until 2017. His previous mandate was set to end in September 2012.

CHANGES IN THE BUSINESS UNIT STRUCTURE

After the acquisition of Arriva, we adapted our management structure in passenger transport to reflect this change. The new DB Arriva business unit was created within the Passenger Transport Board division. Since January 1, 2011, all regional transport activities outside of Germany have been managed in this business unit. In addition, all international transport activities, with the exception of cross-border transport to and from Germany, have been integrated into the DB Arriva business unit.

Accordingly, since January 1, 2011, the DB Bahn Regional business unit has only operated regional transport activities in Germany. The former business unit DB Bahn Urban was integrated into the DB Bahn Regional business unit.

ARRIVA GERMANY SOLD

Pursuant to commitments made to the EU Commission, DB Group had to sign a legally binding purchase agreement with an appropriate buyer to divest all of Arriva's activities in Germany by December 11, 2010. On December 8, 2010, the DB AG Supervisory Board approved an agreement to sell Arriva Germany Group to a consortium consisting of the Italian railway company Ferrovie dello Stato, which also served as consortium manager, and Cube Transport SCA, a Luxembourg-based infrastructure fund. On February 16, 2011, the European Commission approved the selected buyer and further stated that they had no cartel-related objections to the purchase, thereby clearing the way for the deal to be closed and fully concluded on February 25, 2011. With this sale, DB Group complied with all the requirements of the European Commission connected to the acquisition of all the shares of Arriva Plc.

ACQUISITION OF GRAND CENTRAL RAILWAY

By acquiring 100 % of the shares of GCRC Holdings Limited, Bristol/Great Britain, at the beginning of November 2011, we took over control of Grand Central Railway Company Limited (Grand Central Railway), a British rail transport operator with headquarters in Bristol, Great Britain. For the year under review, the cash outflow connected to this acquisition amounted to € 10 million.

With this acquisition, we are further expanding the portfolio of DB Arriva with open-access operations. Similar to the German long-distance transport sector, open-access operators in Great Britain operate rail passenger transport without subsidies and without transport contracts involving concession fees.

Grand Central Railway operates services between London and the cities of Bradford, Halifax and Sunderland in northern England. Approximately 700,000 passengers are transported by Grand Central Railway annually. This acquisition complements our portfolio in the UK trains division, which already consisted of the CrossCountry, Arriva Trains Wales and Chiltern Railways franchises as well as the two concessions Tyne and Wear Metro and London Overground Operations.

We assume that we will be able to benefit from synergies with DB Arriva's existing rail activities and expand our services on the east coast of England. Effective December 31, 2011, Grand Central Railway is included in the consolidated financial statements and has been integrated into the DB Arriva business unit.

OTHER PORTFOLIO ADJUSTMENTS

In terms of other smaller transactions, we acquired among others shares in the Belgian logistics services provider Jean Heck Eupen, Transports et Logistique (Jean Heck). Effective November 30, 2011, Jean Heck is included in the consolidated financial statements and has been integrated into the DB Schenker Logistics business unit. For the year under review, the cash outflow connected to this acquisition amounted to € 6 million.

DOMESTIC DISTRIBUTION IN NORTH AMERICA RESTRUCTURED

In the year under review, DB Schenker Logistics decided to restructure its domestic distribution business in the United States, Canada and Mexico. The US domestic business activities were taken over in 2006 with the acquisition of BAX Global. It consisted of an air freight network with 20 airplanes in operation as well as an extensive land transport network. The air freight activities were suspended at the end of the year under review and the land transport business segment is due to be liquidated by the beginning of 2012.

The US domestic business segment was restructured as a result of the continually poor earnings situation due to weak economic development in the United States coupled with rising fuel prices. This decision does not indicate an intention to withdraw from the North American market, in which DB Schenker Logistics has generated approximately USD 3 billion in revenues per year. In total, the activities affected by this decision amount to less than 10 % of DB Schenker Logistics business activities in North America.

Corporate Governance and Compliance reports

The *Corporate Governance report* [1] and the *Compliance report* [2] are components of the Group management report in the Annual Report of DB Group.

Business environment

DEVELOPMENT OF GDP WITH SLOWER ECONOMIC PACE

Change in gross domestic product (GDP) — %	2011	2010	2009
World 1)	+2.5	+4.1	-2.5
USA	+1.7	+3.0	-3.4
China	+9.2	+10.4	+9.2
Japan	-0.9	+4.5	-5.5
Europe	+1.5	+2.3	-4.2
Great Britain	+0.9	+2.1	-4.4
Eurozone	+1.5	+1.8	-4.2
Germany	+3.0	+3.7	-5.1
France	+1.7	+1.4	-2.6

1) Total of selected developed and emerging countries.
The data for 2009 to 2011 is based on information available on February 15, 2012.
Source: Consensus Forecasts, FERI, German Federal Statistical Office.

World

Despite the effects from the natural and nuclear catastrophes in Japan, there was very dynamic growth in the global economy at the beginning of 2011. This pace continually slowed over the course of the year. The global economic situation was affected by the weak economy and sovereign debt crises in the United States and the Eurozone as well as by slowed growth in Asia. The cutbacks needed in order to consolidate public spending slowed the economy in the United States and Europe. Economic growth in the emerging countries slowed as a result of government measures implemented to prevent their economies from overheating, but it nevertheless remained stronger than in the developed countries. In total, the global economy grew by approximately 2.5 % in 2011. After experiencing a sharp increase toward the end of the first half of 2011, world trade lost pace and posted merely a moderate growth rate for the remainder of the year. Over the course of the full year, world trade increased by approximately 5.5 % in 2011 (previous year: +13.5 %).

USA

Economic growth in the United States was nearly half of the level of the previous year. High unemployment rates, only moderate growth in income, and sharp increases in energy prices placed a burden on private spending. Government spending was significantly reduced due to the high level of public debt. Continued stagnation in real estate prices prevented growth in the construction sector. Companies' weak sales and earnings expectations due to a slower economy dampened investments. Foreign trade failed to produce any significant stimuli for the economy. The reserved economic forecasts in the USA's most important trading countries slowed its exports. However, monetary policy had a positive effect on the economy.

China

Asia was once again the region with the strongest growth rate. The economy in China slowed down only slightly. Overall economic production increased due to continually strong demand in China's domestic market. Government measures to prevent the economy from overheating and to avoid price bubbles in the real estate sector slowed growth, and China's monetary and lending policies had a restrictive effect. Weaker demand, especially from the United States, had a negative effect on exports. Despite the slowed economic pace, China's GDP growth rose at a very high level of 9.2 %.

1 2011 Annual Report DB Group Page 41 ff., 2 2011 Annual Report DB Group Page 52 f.

Japan

The effects of the earthquake and nuclear catastrophe in Japan had a very negative effect on economic activity there. Industrial production and commodity exports dropped toward the end of 2011. Private spending stagnated due to high unemployment, continually weak wage developments and increasing concerns about pending tax increases. Exports were impacted by the reserved economic activities in foreign markets and the appreciation of the yen. Despite additional stimulus from reconstruction activities, there was only a moderate increase in investments. Over the course of the year, Japan's GDP fell by approximately 0.9 % compared to the previous year.

Europe

After a strong start to the year, economic development in Europe noticeably slowed down throughout the year. In 2011, overall economic production rose by approximately 1.5 %. In Eastern Europe, too, the pace slowed over the course of the year, but its economic growth for the full year was nevertheless almost 2 percentage points higher than in Western Europe, at approximately 3.5 %. While economic growth in Russia (+ 4.3 %) was strengthened by the sharp increase in export revenues due to higher raw materials prices, in Poland it was first and foremost private spending and investments that led to an above-average increase of 4.0 % in its GDP. However, in most of the Central and Eastern European member states of the European Union (EU), overall economic demand was slowed by government consolidation measures. The demand for exports, which is so dependent on the Western European economy, experienced strong growth at the beginning of 2011, but slowed down during the remainder of the year. Almost every country reported lower unemployment rates.

Great Britain

In Great Britain, private spending was affected by a tense labor market and falling real income. Export rates fell slightly. Overall economic production increased by only 0.9 % over the course of the year due to foreign demand that experienced only weak growth, the rigorous austerity measures implemented by the government, and the continued need for consolidation in private spending budgets.

Eurozone

The European economy significantly lost momentum in the course of 2011. On average, the GDP in the Eurozone increased by approximately 1.5 %. This growth is largely attributed to the strong economic development in Germany. The recovery was impacted throughout Europe by the austerity measures to consolidate government spending and by the continued uncertainty regarding the monetary policy for the euro. Private spending was dampened due to the loss of purchasing power caused by inflation, the subdued earnings prospects due to high unemployment, and the anticipated measures to consolidate government budgets in many of the Eurozone countries. Investments noticeably lost momentum, but maintained an overall upward trend due to low interest rates and increasing profits. Exports slowed given the general cooling down of the global economy.

Germany

After a strong start to the year, the economic recovery in Germany noticeably cooled off. Nonetheless, at 3.0 % Germany's full-year GDP had increased sharply and at a rate well above the average for the Eurozone. Stimulus for growth stemmed mostly from the demand on the domestic market and there was also a noticeable increase in consumer spending and investments. Production in the manufacturing industry increased by 9 % despite a slowdown in order inflow in the course of 2011.

Automobile and mechanical engineering, in particular, reported significant double-digit production increases in their annual averages. The chemical industry only experienced an increase in growth of nearly 1.5 %, also after a strong start to the year. The steel industry also posted a subdued performance over the course of the year as a result of decreases in demand in their sales markets. Raw steel production increased by 1 % to approximately 44.3 million tons in the course of the year, only to experience a noticeable decline in the final quarter of 2011.

The situation in the labor market remained positive, despite the economic downturn over the course of the year. Figures on employment and jobs requiring mandatory social security contributions were higher than in the previous year. In average terms employment increased by nearly 1.5 % in 2011. The positive situations in the labor market and for earnings boosted private spending, which grew at the same rate. The cost of living rose by 2.3 % compared to the previous year, mostly due to sharp increases in prices for oil products. Fuel prices in general increased by 11 % compared to the previous year. At 15.6 %, the increase in the price of diesel fuel was above this average.

France

In France, the economy posted an increase of 1.7%, which was slightly above average compared to other European countries. Demand on the domestic market contributed to this growth. Capital investments and, in particular, investments in plants and equipment showed an increased growth rate, but investments in construction barely increased. Private and government spending experienced only a moderate increase. As imports grew at a stronger rate than exports, there was no economic stimulus from foreign trade.

SLIGHT DECLINE IN VALUE OF EURO RELATIVE TO US DOLLAR

Within the course of the year under review, each side of the Atlantic experienced varied economic development. Whereas the real economy in Europe was able to recover noticeably from the aftermath of the economic and financial crisis at the beginning of the year thanks to Germany as an economic engine, economic development in the United States remained subdued because of employment rates which remained high.

As a result of these varying developments, the monetary policies of the central banks at the beginning of the year under review played a major role in the development of the euro/US dollar exchange rate. While the European Central Bank (ECB) tried to hold down inflation that was already above the target value by increasing interest rates, the US Federal Reserve continued to ease its monetary policy, an easing that was ultimately not expanded further at the end of the year. At the same time, the economic outlook for the Eurozone deteriorated at the end of the year under review. After Greece, Ireland and Portugal received financial assistance from the EU through the European Financial Stability Facility (EFSF) and the European Financial Stabilization Mechanism (EFSM), and also from the International Monetary Fund (IMF), the overall economic forecast worsened in the Eurozone due to sovereign debt crises in other countries. After its initial interest rate cut in November 2011, the idea that the ECB was going to support the economy with additional monetary policy measures caused the euro to fall against the US dollar (€ 1.29 as of December 31, 2011).

BOND MARKETS REFLECT SOVEREIGN DEBT CRISIS

The favorable development in the economy at the beginning of the year under review motivated investors to accept higher risks. Due to the further deterioration of the economic situation in the Eurozone countries with a high level of government debt, bond investors' willingness to invest in government bonds declined once again during the first half-year of 2011. As a result, prices for German Bunds, which are considered to be safe investments, had risen by midyear, and returns on ten-year Bunds fell to nearly 3%.

In connection with the sovereign debt crisis, bonds issued by supranational debtors, above all the EU with its various stability funds, gained importance in the second half-year of 2011. As the economic situation intensified once again toward the end of the year under review, it is seen as probable that there will be the risk of further acceptances of liability for the benefit of peripheral Eurozone countries. This led to further increases in returns. Toward the end of 2011, returns on ten-year German Bunds were listed at 1.84%.

The volume of new corporate bond issues in the Eurozone remained at a relatively low level in the year under review. Many companies had sufficient liquidity and therefore refrained from issuing new bonds. As the estimate of risk relating to corporate bonds compared to government bonds improved in the year under review, this was met with an increase in the issue activities of companies with lower creditworthiness. This group of companies had been forced to pay substantially higher risk premiums for their issues in the previous year.

Political environment

Details of regulatory issues and the further development of the European legal framework in the railway sector are also contained in DB Group's annual *Competition report* [1].

REGULATORY ISSUES IN GERMANY

During the year under review, the Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railroads (BNetzA) and the Federal Railways Agency (EBA) continued to regulate access to the railway infrastructure in Germany and monitor the observance of guidelines regarding the unbundling of infrastructure and transport services within their respective areas of responsibility.

[1] www.db.de/competitionreport

Regulating usage fees for traction current lines

On November 9, 2010, the German Federal Supreme Court (BGH) issued its final ruling stating that access to and usage fees for traction current lines fall under the jurisdiction of the energy industry's legal regulations. Grid usage fees are therefore subject to a permit requirement issued by the BNetzA. To be granted access, DB Energie GmbH (DB Energy) must significantly adapt its business activities and information technology to meet the regulatory requirements laid down in energy industry law. On April 1, 2011, DB Energy submitted an application for its grid usage fees to be approved – retroactively from October 2005 – to the relevant authority for review. At the end of February 2012 we achieved an agreement *in the ratification process for the transmission fees* [1] with the BNetzA.

Energy suppliers obtained access to station current networks

On October 27, 2010, the BNetzA issued a ruling on abusive practices that required DB Energy to guarantee third-party energy suppliers access to its station current networks (50 Hz networks) as of February 2011, in accordance with the regulations laid down in the German Energy Industry Act (EnWG). DB Energy lodged an appeal against the ruling. On April 6, 2011, both parties reached a settlement before the Higher Regional Court (OLG) of Düsseldorf, according to which DB Energy agreed to open up its station current networks to third-party energy suppliers by December 31, 2011. Implementing the provisions of the energy law required DB Energy to carry out extensive measures to adapt its energy system.

Federal Supreme Court rejects appeal in the case of cancellation fees

The subject of the proceedings was a lawsuit brought by a train operating company (TOC) on the basis that the increase of cancellation fees as part of the train-path pricing system (TPS) of 2008 was unfair pursuant to Article 315 of the German Civil Code (BGB). In its judgment dated October 18, 2011, the BGH rejected the appeal brought by DB Netz AG against the decision of the OLG Düsseldorf and affirmed the basic application of fairness according to civil law in the area of rail regulations.

Comprehensive review of the train-path pricing system

The BNetzA pressed on with the comprehensive review of the TPS with two requests for information dated June 8 and October 24, 2011. The main issues in this matter are questions relating to the amount of costs to be considered as well as how they are passed on to the network users. The extensive procedure is of the utmost importance, because it examines the entire TPS structure.

Utilization factor to be dropped at the end of 2012

The utilization factor is an element of the TPS and serves as a tool to manage bottleneck situations. In its ruling dated July 1, 2011, the BNetzA declared this element of the train-path pricing system to be invalid effective immediately, as the agency determined that DB Netz AG was unable to provide technical justification for the pricing distinction. DB Netz AG appealed the decision, referring to the importance of capacity-oriented guidance factors in pricing systems. In November 2011, the BNetzA and DB Netz AG reached a settlement to end the administrative procedure. According to this settlement, the utilization factor will be dropped for the 2013 schedule due to be released in December 2012.

New station pricing system introduced

On January 1, 2011, DB Station&Service AG (DB S&S AG) introduced a new station pricing system. The BNetzA approved the new system under the provision that additional explanations pertaining to certain elements, in particular regarding the train length factor, be submitted at a later date and that amendments be made if necessary. The BNetzA and DB S&S AG held numerous discussions regarding this issue during 2011. The Federal agency temporarily accepted the application of the current train length factor for 2012. The discussions will continue in 2012.

Ruling in the proceedings on the transfer of public funds

In a decision reached by the German Federal Administrative Court (BVerwG), it confirmed the legality of a ruling handed down by the EBA in 2008. At that time, the supervisory agency had requested that DB Netz AG present proof of investment grants of the Federal states in order to examine whether DB Group adhered to the unbundling regulations when using the funds. In the opinion of DB Netz AG, unfounded agency investigations are not permissible. This opinion was not supported by the Federal Administrative Court.

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REGULATORY ISSUES IN EUROPE

British government plans reform of franchise system in rail transport

The British Department for Transport (DfT) is currently working on a plan to reform the national franchise system in rail transport. In particular, the reform should lead to longer and less restrictive franchise licenses. The aim is to give franchisees a greater incentive to implement measures for increasing investments and customer satisfaction.

In this respect, the DfT and the British Office of Rail Regulation (ORR) commissioned an independent study ("Rail Value for Money Study") led by Sir Roy McNulty. The study was published in May 2011 and contained the following important findings:

- In the future, franchisees should be free to determine how they manage their offers (schedules and services) based on a given budget.
- There should be greater assessment of the suitability, distribution and amount of government funding for certain lines.
- The financial relationship between the franchisee and the government should be adapted. Whereas the government currently covers up to 80% of the sales shortfall if an operator misses its target in the first four years, in the future payments will be coupled to the development of the GDP in order to minimize the risk for companies that would not be able to fulfill their contractual obligations during recessions.
- The responsibilities of the state-owned infrastructure company, Network Rail, shall be reduced. The new concept allows for train operators to be subsidized, at least in part, and stipulates that they are responsible for the maintenance of the tracks and upkeep of the stations. This would signify the end of the separation between the network and service operation in Great Britain, which has been the cause of a great deal of inadequacy, malfunctions and high costs in the past.

While, on the one hand, the planned changes will give operators more responsibility for and control over schedules and the necessary infrastructure, on the other hand, the government will be able to reduce total costs in rail transport by about 30% per year until 2019. This amounts to approximately GBP 1 billion per year.

The British government is planning to publish a Government Command Paper on this topic in March 2012, in which the findings of the study will be discussed.

Another recommendation in the study was the founding of a Rail Delivery Group (RDG), which will lead targeted discussions with the government concerning the Government Command Paper. This was established in May 2011. The RDG consists of the Chief Executive Officers of Great Britain's leading railway companies and of Network Rail. Its objective is to design long-term rail transport offers that feature better performance and are more cost-effective and more sustainable, in the interests of passengers and taxpayers. DB Group is a participating member of the RDG with two representatives; one from DB Arriva and one from DB Schenker Rail UK.

Competition Commission proposes measures for additional liberalization of the UK bus market

The British government commissioned the Competition Commission (CC) to study whether the current arrangement of the bus market in Great Britain (with the exception of London and Northern Ireland) poses any disadvantage for consumers due to lack of competition. In December 2011, the final report was published and a corresponding list of recommended measures was presented. In the report, the CC concludes that there is not enough competition in the bus market. The proposed measures aim, in particular, to remove barriers for market entry and call for the bus market to be opened up. In our opinion, the study failed in particular to analyze increasing competition with car travel and its effect on the bus market.

The CC also recommended that, in the future, the compensation payments to transport companies for fuel costs, the Bus Service Operator Grants (BSOG), should be contingent on the implementation of the proposed measures, in order to increase the incentive to carry out the improvements as soon as possible.

As early as October 2010, the British government had already decided to cut the BSOG by 20% beginning in April 2012, based on the results of its Comprehensive Spending Review. In addition, it was proposed that the current system for concessions payments be subject to a review and that the available funds be cut.

Further development of the relevant regulatory framework

BGH DECISION CLARIFIES SITUATION IN THE GERMAN REGIONAL TRANSPORT MARKET

On February 8, 2011, Germany's Federal Supreme Court approved the application for a review submitted by Abellio Rail NRW and declared that the contractual agreement between the Rhine-Ruhr transport association (Verkehrsverbund Rhein-Ruhr; VRR) and DB Regio NRW was null and void. While EU law expressly permits the direct awarding of contracts for rail passenger transport – something which is common practice across Europe – this continued to be a disputed issue under German law. The Federal Supreme Court has now ruled that the German Cartel Procurement Law supersedes European law and requires mandatory tender procedures.

We consider ourselves to be well prepared for the numerous tenders in local rail passenger transport in the coming years.

LIBERALIZATION OF LONG-DISTANCE BUS TRANSPORT IN GERMANY INITIATED

In August 2011, the German Federal cabinet passed a draft bill to amend the German Passenger Transport Act (Personenbeförderungsgesetz; PBefG) and initiated the lawmaking process. This is expected to be concluded in 2012. According to the regulations laid down in the cabinet's bill, transport connections of up to 50 kilometers should be protected from competition from long-distance bus lines insofar as adequate transport services are in place. However, parallel transport services shall be allowed and diverse regulations regarding operational requirements and fares shall be reduced.

After an extensive review, we have decided not to aggressively expand our current long-distance bus business, as we expect this market to be particularly volatile at the outset. We are preparing for increased competition and will observe the continuing developments so as to be able to accordingly adapt our business activities flexibly.

RECAST OF THE FIRST RAILWAY PACKAGE

On September 17, 2010, the European Commission submitted a proposal for the recast of the first European railway package. The legislative process is currently underway in the European Council and the European Parliament. On November 16, 2011, the European Parliament issued its decision in the first reading of the law. On December 12, 2011, the European Council reached a political agreement on the proposal to recast the package. The European Council and the European Parliament will now attempt to draw up a compromise between the different accepted versions. The regulations could be passed in the first half-year of 2012.

From our standpoint, we welcome the recast, as it contributes to creating a standardized European general framework for rail transport. It is important to ensure, however, that there will be no disproportionate interventions in the entrepreneurial approach and independence of the railways or the budgetary matters of the member states.

EU COMMISSION'S TRANSPORT POLICY STRATEGY THROUGH TO 2020

On March 28, 2011, the EU Commission published a new white paper entitled "Roadmap to a Single European Transport Area – Towards a competitive and resource-efficient transport system," in which it defined its goals and major points of emphasis until the year 2020. The white paper is intended to lead to concrete (legislative) measures (see the following section on the fourth railway package). One of the goals is to complete a single European railway area by eliminating technical, administrative and legal obstacles to market access. By focusing on sustainable mobility and ambitious climate protection goals (reducing CO_2 emissions in the transport sector by 60% by 2050, compared to 1990), environmentally friendly alternatives to road traffic are to be strengthened and the efficiency advantages of rail transport are to be better developed so as to facilitate the transfer from road transport to rail transport.

We welcome the goal of shifting about 30% of road freight transport of more than 300 kilometers over to rail and waterways by 2030 – and it is hoped that a transfer of more than 50% can be attained by 2050. The goal for passenger transport is to shift the majority of trips of medium distances over to rail.

As a result, high priority is being given to the necessary expansion of the infrastructure and the targeted elimination of bottlenecks. The Commission is seeking to raise funds from national, international, EU and private sources to finance these goals. It is also hoped that internalizing the external costs for all modes of transport will result in the users of the infrastructure playing a larger role, too. Furthermore, obstacles to fair competition hindering rail transport, such as the tax exemption for jet fuel, should be eliminated and linkage between various modes of transport should be improved.

FOURTH RAILWAY PACKAGE ANNOUNCED

The EU Commission has announced that, with regard to the fourth railway package, it will present legislative initiatives by the end of 2012 that call for:

- the complete liberalization of the national rail passenger transport markets in Europe
- additional separation of infrastructure and transport service operations
- strengthening of the European Railway Agency (ERA)
- strengthening of rail regulations in Europe

The complete liberalization of the national rail passenger transport markets is a basic prerequisite for fair and equal access to markets, and thus for creating a standardized European railway system. The plan to strengthen the ERA's areas of competence can make an important contribution to removing technical barriers as well as to expediting licensing procedures, thereby facilitating cross-border transport. Additional proposals announced by the Commission to separate infrastructure and service operations were evaluated as critical. The openness to models displayed by European law must remain intact in order to ensure that high-quality and efficient rail structure models continue to be viable in the future.

FURTHER DEVELOPMENT OF THE TRANS-EUROPEAN TRANSPORT NETWORK

The EU Commission has fundamentally revised its approach to the development of a trans-European transport network (TEN-T). In this respect, on October 19, 2011, it presented proposals for new guidelines to establish trans-European networks as well as a proposal for a facility for financing projects in the areas of transport, energy and digital networks. The main national TEN-T projects shall be replaced by a core network by 2030. This core network shall connect the European capitals, the most important nodes and metropolitan areas as well as business and industrial hubs.

It will entail ten multimodal corridors being built, each of which will comprise at least three modes of transport, pass through at least three member states, and include a seaport-hinterland connection. In addition, consistent infrastructure requirements will apply throughout the core network (including the European Rail Traffic Management System (ERTMS), 750-meter train length, electrification, and a 22.5-ton axle load for conventional freight transport).

Approximately € 32 billion shall be made available to modernize infrastructure, build the necessary transport interconnections and remove bottlenecks from the core network. For the first time, there is also a possibility that the EU Commission will allocate funding for refitting freight cars in order to reduce noise pollution.

INTRODUCTION OF A NOISE-BASED FEE INTO THE TRAIN-PATH PRICING SYSTEM

In December 2012, DB Netz AG will introduce a fee for freight transport based on the noise pollution caused by trains. A prerequisite for the charges is the availability of low-noise brakeshoe technology, or so-called LL shoes (quiet braking technology made of composite materials).

With the financial contribution from the fees for train-path pricing based on noise levels and the contributions from the Federal Government, there is now a bonus system in place for refinancing the costs of refitting the current freight cars with noise-reducing braking technology. Refinancing the increased operating costs caused by refitting the cars is to date not planned. Therefore, the cost burden for the rail freight transport sector will increase by the fees levied plus the additional operating costs incurred.

NEW PROCEDURES OF EMISSIONS TRADING STARTING IN 2013

The amended version (2009/29/EC) of Directive 2003/87/EC regarding the trading of emissions rights took effect in May 2009. Pursuant to the terms of the new directive, the energy industry must obtain all of its certificates via auction as of 2013. In addition to the current cost burden for rail transport, the prices for traction current will increase substantially as a result of this directive.

Other modes of transport are unaffected or are only marginally affected by carbon emissions trading: road transport and shipping are still not subject to such emissions trading, despite the fact that they also emit CO_2. Pursuant to Directive 2008/101/EC, only air transport within the EU as well as to and from Europe will be subject to carbon emissions trading as of 2012. However, only 15% of its CO_2 certificates based on its carbon emissions must be obtained via auction.

PREPARATION OF A RAILWAY REGULATION ACT

The German Federal Government's coalition agreement provides for numerous further developments in regulatory law. The concrete implementation of these shall be achieve through a new railway regulation act. The bill drafted by the German Federal Ministry of Transport, Building and Urban Development (BMVBS) was presented to the ministries involved at the end of November 2011 for consultation in their departments.

The bill provides for the introduction of an efficiency-based incentive regulation for train-path and station fees, and intensified regulations on service facilities. An expansion of the regulations to incorporate switching services in service facilities is also planned. The bill also calls for the competences and authority of the BNetzA to be extended. The legislative process is not expected to be concluded before the end of 2012.

In our opinion, some of the proposals in the bill go too far. For example, the planned expansion of regulation to include competitive areas such as switching services must be scrutinized just as much as an efficiency-based regulation of infrastructure fees that does not adequately take account of the specific financing requirements of the railway sector.

Developments in the relevant markets

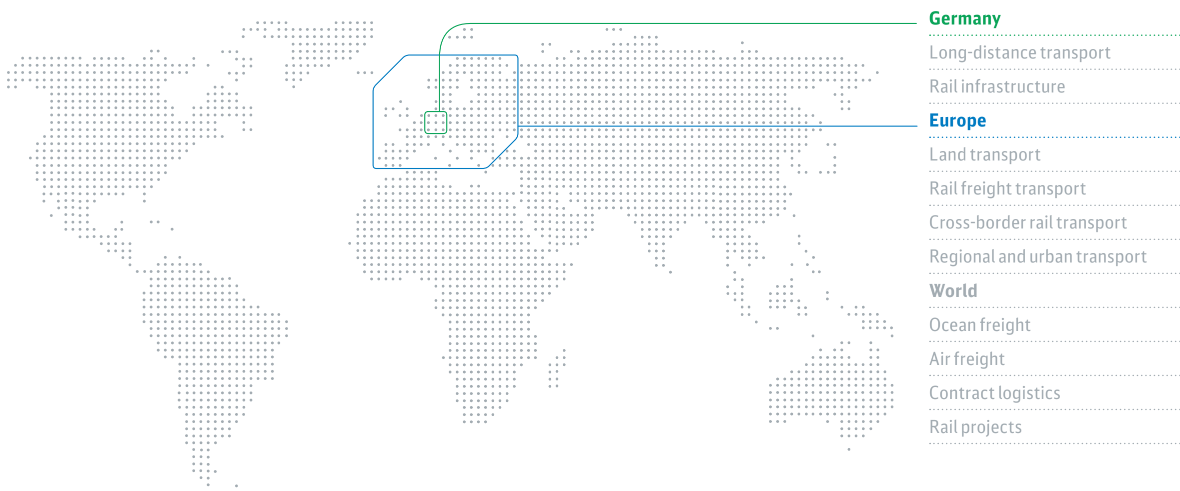
DB Group provides national and international services, the target markets of which are reflected in our Group's brand image under "Mobility – Networks – Logistics."

We are active worldwide and are represented in over 130 countries.

In passenger transport, our primary objective is to maintain our strong market position in Germany over the long term while sustainably reinforcing our position in Europe.

The European passenger transport market became even more important to us following our acquisition of Arriva in 2010. More and more tenders for regional and urban transport contracts throughout Europe are being opened for bids, and we want to increasingly benefit from this situation in the future. DB Arriva is active in the regional bus and/or rail transport business in 12 European countries.

Relevant markets



The *liberalization of the European passenger transport markets* [1] is, however, progressing at different speeds across Europe. Germany is leading in the liberalization of national long-distance rail passenger transport. Many national long-distance markets in other countries have not yet been opened.

Just as we did in the passenger transport market, we have also strategically positioned ourselves early on in the transport and logistics sector to meet current and future market demands. DB Schenker represents our logistics capabilities in worldwide air/ocean freight and contract logistics, and also our dense network in European rail freight and land transport. We want to take advantage of the opportunities arising in such strongly growing markets.

We are also safeguarding the future of rail freight transport in Germany by integrating it into high-performance, international logistics networks, thereby opening up new opportunities for growth. The European rail transport market has been completely opened up since 2007. In this respect, we serve all the relevant corridors and are active in all the key countries with our own subsidiaries or partnerships.

In Germany, we have assumed dual responsibility for rail transport as a result of our integrated Group structure, making us both the operator and leading user of the track infrastructure.

PASSENGER TRANSPORT

German passenger transport market

German passenger transport market — % based on volume sold	GROWTH RATE		MARKET SHARE	
	2011	2010 1)	2011	2010 1)
Motorized individual transport	+1.5	+0.7	84.2	84.0
Rail transport	+0.8	+2.2	7.8	7.8
DB Group	+0.5	+2.2	7.1	7.2
Non-Group railways	+5.5	+2.7	0.6	0.6
Public road transport	–0.5	–1.8	7.1	7.2
DB Group	–3.4	–0.5	0.8	0.9
Air transport (domestic)	+0.0	+2.2	1.0	1.0
Total market	**+1.3**	**+0.6**	**100.0**	**100.0**

1) The previous year's figures were adjusted to reflect the adapted transport statistics for motorized individual transport.

The data for 2010 to 2011 is based on information available on February 15, 2012. The market shares of the various modes of transport are rounded and may therefore not add up to 100.

Overall demand in the German passenger transport market increased by approximately 1.3% in the year under review. Despite a favorable economic environment, not all modes of transport achieved increases in their volume sold.

Roughly 84% of the services in the passenger transport market relate to motorized individual transport. After a sharp increase at the beginning of the year under review due to statistical special items caused by severe weather, the development noticeably lost momentum in the course of 2011. For the full year 2011, there was, however, a stronger increase in performance by roughly 1.5% compared to the previous year due to the substantial economic momentum – despite fuel prices that once again reached double digits. Accordingly, a slight increase in market share was observed.

After the strong increase of 2.2% in the previous year, the development in rail passenger transport in Germany slowed in the year under review, but was nonetheless able to report an increase of nearly 1%. The favorable economic momentum was offset by an array of burdens. These included, for example, the non-recurrence of positive one-time effects from the previous year (severe winter weather in 2010, restrictions in air travel due to pilot strikes and the volcanic ash clouds), more construction projects within the network, sometimes with noticeable limitations for passengers, the suspension of obligatory military service as well as strikes announced and carried out by non-Group railway companies.

The volume sold by our companies in the year under review was slightly higher than in the previous year, although there were significant differences in the development of local and long-distance rail passenger transport. Whereas the DB Bahn Regional business unit posted a rise in demand of 2.2%, the volume sold in the DB Bahn Long-Distance business unit dropped, as long-distance transport was affected more by the aforementioned burdens.

After a weak first half-year in 2011 due to strikes, non-Group railways gained momentum in the second half of the year. After taking over additional lines as of the schedule change in the middle of December 2010, initial estimates show their volume sold rose by about 5.5%. Their share of the rail passenger transport market in Germany therefore continued to increase.

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Looking at the modal split, rail passenger transport in Germany was able to defend its position from the previous year, maintaining a market share of 7.8%. It should be pointed out that, following detailed analysis in the year under review, we retroactively adjusted the volume of motorized individual transport sold since 1994 to the higher levels posted by the BMVBS. This adjustment serves to standardize transport statistics and make them more easily comparable. Reporting for the volume of the overall market is therefore much higher. As there was no change in the values of the other modes of transport, this caused a shift in market shares. The rail mode of transport nevertheless maintained its favorable trend in development recorded in recent years.

The downward trend in public road passenger transport that has been observed in recent years continued in 2011. The improved economic situation boosted both regularly scheduled services as well as non-scheduled transport, but it failed to fully offset the negative effects of declining numbers of schoolchildren and trainees. In total, though, the drop was less severe than in the previous year, at 0.5% compared to 1.8%. Despite this, the market share of public road passenger transport fell slightly by 0.1 percentage points.

Domestic German air transport posted a similar development to that of motorized individual transport. After reporting strong growth of nearly 5% in the first third of 2011 thanks to the favorable baseline effects after the pilot strike and the restrictions due to the volcanic ash clouds in the previous year, this sector's development slowed down considerably during the rest of the year. The strong economic momentum was somewhat offset by the dampening effects of high kerosene prices and the recently introduced air transport charge, as these were at least in part passed on to the customers. For the full-year 2011, air transport was therefore only able to post the same volume sold as that of the previous year. Its market share remained stable compared to the previous year.

European passenger transport market

The sovereign debt crisis in Europe strained public budgets and therefore also had an impact on the European passenger transport market. In particular, there was increased pressure on the ordering organizations to drive through cost-saving measures, for example by increased privatization and outsourcing as well as issuing an increased number of requests for tenders.

In total, initial findings show demand for rail passenger transport in Europe increased slightly based on corporate data published by the International Union of Railways (UIC). There were, however, differences among the various railways. The leading European market participants in rail passenger transport reported varying growth rates, ranging from a sharp increase of approximately 5% posted by British railways operating under its umbrella organization, the Association of Train Operating Companies (ATOC), to average growth reported by the French railway company, SNCF, our companies, and the Polish railway company, PKP, and ending with a significant drop posted by Italy's FS.

The market for cross-border transports experienced a reserved development in the year under review, mostly due to the access barriers in place. High levels of investment and network access fees, state-sponsored protectionism, technical obstacles as well as lengthy and costly approval procedures continued to prevent new services from being introduced. The varying regional developments can also be attributed to the different levels of *liberalization of rail passenger transport* [1] in the individual European countries.

FREIGHT TRANSPORT

German freight transport market

German freight transport market — % based on volume sold	GROWTH RATE 2011	GROWTH RATE 2010	MARKET SHARE 2011	MARKET SHARE 2010
Rail	+5.3	+12.0	17.7	17.3
DB Group	+4.3	+11.2	13.1	13.0
Non-Group railways	+8.5	+14.3	4.6	4.3
Road	+5.0	+4.7	71.2	70.0
Inland waterway	–10.6	+12.2	8.7	10.0
Long-distance pipelines	–4.6	+1.9	2.4	2.6
Total market	**+3.2**	**+6.6**	**100.0**	**100.0**

The data for 2010/2011 is based on information available on February 15, 2012. The market shares of the various modes of transport are rounded and may therefore not add up to 100.

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The very dynamic development in the German freight transport (rail, road, inland waterway and long-distance pipelines) in 2010 continued in the first few months of the year under review. Following the weak start to the previous year due to severe weather conditions, the strongly favorable impulses from the business environment in the first quarter of 2011 were reinforced by favorable baseline effects in the construction sector in particular. After growth rates had normalized by the end of the summer, development lost momentum in the last four months of 2011 unexpectedly strongly as the economy began to cool down. As a result, the increase in volume sold in the German transport market fell from 8.5 % at the beginning of 2011 down to roughly 3 % for the full year.

Whereas rail freight and road freight transport posted above-average development and expanded their market shares, inland waterway transport reported a significant decrease due to severe weather and therefore dampened growth in the market overall. With an overall loss of more than 1 percentage point, its market share reached an all-time low.

Despite the capacity bottlenecks that occurred in the first half of the year in particular, the market was characterized by a continuously high intensity of competition. This limited the scope for the increases in freight rates which were made necessary by the sharp rise in costs.

Taking the dynamic recovery from the previous year and the significant cooling down at the end of 2011 into consideration, the increase in the volume sold by our companies was strong, at over 4 %. Whereas our companies' share of the rail freight transport market in Germany dropped by nearly 1 percentage point to 74.1 % (intramodal), the development of our share of the entire freight transport market (intermodal) was slightly positive.

There was continued above-average development in non-Group railways. After posting an increase of 14.3 % in the previous year, the volume sold in the year under review rose once again, this time by approximately 8.5 %. In addition to the strong economic impulses, in particular due to exports, which led to a very dynamic rise in container transport – a sector which is very important for non-Group companies, accounting for just under 45 % of their transports – the increase in demand was also triggered by both intermodal and intramodal shifts in the modes of transport. The above-average development in mining-related and building materials transports as well as in car transports continued. In the full year, the intramodal market share increased by almost 1 percentage point to 25.9 %.

After the development in road freight transport (German and foreign trucking, including cabotage transports in Germany), posted merely below-average figures in the previous year, there was a sharp increase of almost 10 % in volume sold in the first quarter of 2011. Growth was supported due to the mild winter by catch-up and baseline effects in the construction sector, which is important for road transport. However, the development noticeably lost momentum during the course of the year and negative figures were even posted in some months. The expected seasonal peak in the fall was also relatively moderate. Despite the fact that the overall development was slower than expected, the volume sold in the full year increased significantly by approximately 5 %. The market share increased by roughly 1 percentage point to 71.2 %.

While German truck transports increased by approximately 4 %, foreign trucking, which dominates cross-border transports, once again experienced significantly more dynamic growth. Supported by the strong impulses from exports, this sector posted an increase in performance of approximately 7 %, almost twice as strong. Once again, this was mostly due to truck transports from Southeastern Europe, which experienced an above-average growth rate of more than 20 %, according to the toll statistics of the Federal Agency for Freight Transport. The market continued to be characterized by a high intensity of competition and sharp increases in costs, which, apart from additional expenses for personnel and storage, were mostly the result of the increase in the price of diesel by almost 16 % compared to the previous year.

After a dynamic recovery in the previous year, inland waterway transport was unable to benefit from the strong economic impulses in the year under review. After the Rhine river was closed to traffic for several weeks at the beginning of 2011 due to a tanker accident, the weather-related restrictions in the following months, namely flooding and low waters, had a major effect on development. With the exception of February 2011, the levels from the previous year were not surpassed in any other month. In November, water levels in the Rhine, which is by far the most important waterway, fell to a historic low and caused a decline of approximately 35% in tanker and dry goods transports. In turn, for the full year, the volume sold decreased significantly by over 10%. The market share also dropped considerably by more than 1 percentage point to less than 9%, and therefore hit a new all-time low.

European rail freight transport

After the strong recovery of European rail freight transport in the previous year, with an increase in volume sold of over 7%, the dynamic development continued into the beginning of 2011, only to slow down significantly in the second half of the year. According to our estimates for the full year 2011, the volume sold in rail freight transport in Europe rose by roughly 5.5% compared to the previous year. Growth was mainly supported by high demand in the dominant sectors of combined transport and iron, coal and steel (Montan)-related transport services. With an increase of 5.8%, the rail freight transport services of DB Schenker Rail posted slightly above-average growth.

As was the case in recent years, the situation in the individual countries continued to exhibit very heterogeneous development. Similar to the varying economic conditions and developments in the previous year (baseline effects), developments in the rail freight transport sector varied widely. For example, Poland, the second largest market after Germany, once again posted double-digit growth, while the Italian rail freight transport market continued to shrink.

European road transport

Demand in the European road transport market increased in the first half-year of 2011, only to slow down during the rest of the year due to the debt crisis and the economic downturn caused by it. After the seasonal decline at the end of the summer, demand unexpectedly rose fractionally during the high season in fall 2011, then sank once again in the last two months of the year.

Freight carrier prices, which remained comparatively stable throughout the year, created strong margin pressure for network freight forwarders and therefore made price increases a necessity. Due to the intensive competition among the freight forwarding networks, there was, however, little potential for corresponding increases.

Although momentum in the overall economic development slowed significantly in the second half of 2011, based on revenues the European road transport market grew by around 7% compared to the previous year. Due to the above-average development, DB Schenker was able to maintain its position as the market leader in European road transport.

Air freight

After the losses suffered in the air freight market in the crisis year 2009 were more than compensated for by the dynamic recovery in 2010, the market in 2011 was expected to return to its normal growth rate of 4 to 6%. While these expectations were fulfilled at the beginning of 2011, the market went on to exhibit negative development beginning in late spring.

This was caused above all by the nuclear catastrophe in Japan, the political unrest in North Africa and the Middle East, and uncertainty due to the debt crisis. In the Asia/Pacific market, which is the most important market for air freight, the development was particularly weak, as volume sank by approximately 5%.

This weak demand coincided with considerable capacity increases introduced by the airlines, which led to surplus shipping capacities that resulted in pressure on freight rates. An additional burden was the high price of kerosene in the year under review, which increased approximately by one-third compared to the previous year and was thus much higher than expected. In addition, a shift from air freight to ocean freight was observed from the middle of the year. For the full year, the air freight market posted a slight decline of 0.6%.

For DB Schenker Logistics, the difficult market conditions in the year under review led to an above-average decline in volume of 6%, as DB Schenker Logistics has a high market share in the connections that were particularly affected by the decline. In addition, it suspended its domestic air freight business in the United States during the year under review. Despite all of this, DB Schenker Logistics was able to maintain its market position.

Ocean freight

Despite the sometimes volatile political and economic market environments in the year under review, the development in the global ocean freight sector was favorable. Over the course of the year, volume in the ocean freight sector rose by approximately 5.5% compared to the previous year. The growth drivers were once again transports from Asia, for example Asia–Northern Europe (+12%), and inner-Asian transports (+9%). In addition, volume transported from Europe to Asia was likewise part of the favorable development, with an increase of roughly 15%.

This growth coincided with even higher capacities on the trade routes with the highest volume. There was an approximately 17% increase in tonnage introduced by shipping companies on these routes, which led to high pressure on ocean freight rates during the course of the year. Overcapacities were the defining issue on the market for much of the year under review.

With 7% growth compared to the previous year, the increase in volume for DB Schenker Logistics in the year under review was once again stronger than in the overall market. DB Schenker Logistics was therefore able to secure its market position.

Contract logistics

After the 7% increase in the contract logistics/supply chain management (CL/SCM) market in 2010, it again achieved strong growth in the year under review, increasing by approximately 6%. This can be attributed to rising outsourcing rates and the continuously favorable development in the core industries of contract logistics.

In total, there were once again good capacity utilization and order levels in the industry and trading segments, but growth dwindled toward the end of the year. Production in our core industries (automotive, consumer, electronics, industrial) was higher than in the previous year, particularly in electronics. All other key countries and regions – above all the emerging markets – posted favorable development.

In this competitively intense environment, DB Schenker Logistics reported an increase in revenues of 13% and was able to maintain its market position.

TRACK INFRASTRUCTURE IN GERMANY

Key figures — DB rail infrastructure in Germany	2011	2010	CHANGE absolute	%
Train operating companies	385	370	+15	+4.1
DB Group	28	30	−2	−6.7
Non-Group railways	357	340	+17	+5.0
Train-path demand (million train-path km)	1,051	1,033	+18	+1.7
DB Group	830.9	837.7	−6.8	−0.8
Non-Group railways	219.8	195.3	+24.5	+12.5
Share of non-Group railways (%)	20.9	18.9	+2.0	+10.6
Station stops (million)	145.2	143.9	+1.3	+0.9
DB Group	120.5	121.8	−1.3	−1.1
Non-Group railways	24.7	22.0	+2.7	+12.3

In light of the fact that the market has been open since 1994, a large number of TOCs now use our track infrastructure in Germany. The number of non-Group TOCs once again increased in the year under review. No other country in the EU has such a high level of competition in rail transport as Germany.

Demand for train-paths increased by 1.7% in the year under review due to the sustained growth in rail freight transport compared to the previous year. As part of this growth, the proportion of non-Group railways once again increased considerably in the year under review.

The number of station stops also increased compared to the previous year. Similar to the previous years, non-Group railways posted significant increases in general, although the station stops of intra-Group railways declined slightly due to lost bids.

In view of the level of competition between the commodity and service offers in our stations and offers in the overall retail market, the development of retail and gastronomy revenues is also of particular importance to our stations, as both the opportunities for leasing as well as the potential revenues depend on the earnings situation of the commercial tenants. In total, real retail revenues in Germany slightly increased in 2011. There was also a favorable development in earnings from rental leases in the stations during the year under review.

BUSINESS PERFORMANCE

::: AS A MANAGEMENT HOLDING COMPANY, DB AG DOES NOT GENERATE ANY REVENUES
::: SIGNIFICANT INCREASE IN INVESTMENT INCOME
::: RESULT FROM ORDINARY BUSINESS ACTIVITIES RISES CONSIDERABLY

Development of revenues

As in the previous year, DB AG generated no revenues in the year under review.

Development of income

A year-on-year comparison of individual expense and income items is only possible to a limited extent due to special items in the previous year.

Other operating income in the year under review fell considerably from € 1,369 million to € 1,063 million. This was caused by a decline in services for third parties and material purchases as well as a decline in income from the release of provisions.

At € 48 million, the cost of materials was € 22 million below the previous year's value; this was in particular due to a decline in maintenance costs.

Personnel expenses fell noticeably in the year under review by € 80 million to € 201 million. This was caused by the revaluation of personnel-related provisions and the relocation of employees within DB Group from DB AG to other Group companies.

Depreciation was slightly down on the previous year's level at € 7 million (previous year: € 9 million).

Other operating expenses fell considerably year on year from € 921 million to € 781 million in the year under review. The cause of this was the considerable drop in other miscellaneous expenses.

The sharp rise in investment income to € 1,267 million (previous year: € 16 million) was in particular the result of the positive development of DB ML AG and DB Netz AG, which brought about a significant rise in income from profit transfer agreements with subsidiaries. The result of DB ML AG, when compared to the previous year, benefited from a decline in the impairment of financial assets. A one-off tax refund for DB Regio AG also had an effect.

DB AG is the central provider of financing for DB Group, reacting on the basis of the Group companies' financing needs and forwarding them the acquired funds at basically the same terms. Net interest income in the year under review rose, coming in at € 47 million (previous year: € 20 million). The causes of this were an increase in income from other securities and loans held as financial assets.

The overall result was a significant increase in the result from ordinary activities to € 1,338 million (previous year: € 123 million). The tax item came to € −112 million (previous year: € −20 million).

In the previous year there were also extraordinary expenses amounting to € 49 million from the first-time adoption of the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz; BilMoG). This resulted in an overall net profit for the year of € 1,226 million (previous year: € 54 million). The first dividend payout to the owner in the amount of € 500 million and the profit carried forward from the previous year in the amount of € 2,705 million (previous year: € 3,151 million) resulted in a balance sheet profit of € 3,931 million (previous year: € 3,205 million).

FINANCIAL SITUATION

::: FINANCIAL MANAGEMENT SYSTEM OF DB GROUP UNCHANGED
::: RATING CLASSIFICATIONS CONFIRMED DURING THE YEAR UNDER REVIEW
::: BALANCE SHEET TOTAL INCREASED SIGNIFICANTLY

Financial management

DB AG's treasury serves as the central treasury for DB Group. This structure ensures that all Group companies are able to borrow and invest funds at optimal conditions.

Before obtaining funds externally, we first conduct intra-Group financing transactions. When borrowing external funds, DB AG takes out short-term loans in its own name, whereas long-term capital is generally obtained through the Group's financing company Deutsche Bahn Finance B.V. (DB Finance), Amsterdam/the Netherlands. These funds are passed on to DB ML Group companies as fixed-term deposits or loans within the framework of a dual-level treasury concept.

DB Group's infrastructure companies are linked directly to DB AG's treasury. This concept enables us to pool risks and resources for the entire Group, as well as to consolidate our expertise, realize synergy effects and minimize refinancing costs.

As of December 31, 2011, we had tapped our long-term debt issuance program of € 15 billion for a total of € 12.4 billion (as of December 31, 2010: € 11.8 billion). Utilization of the program increased in the year under review due to the refinancing of prematurely redeemed interest-free loans from the Federal Government.

With respect to short-term financing, as in the previous year, € 2 billion was available from a multi-currency multi-issuer commercial paper program as of December 31, 2011. Of this sum, € 202 million had been tapped as of December 31, 2011 (as of December 31, 2010: € 42 million). Furthermore, as of December 31, 2011, we also had a guaranteed unused credit facility of € 2.5 billion (as of December 31, 2010: € 2.5 billion). In addition, credit facilities of € 1.4 billion were also available for our operational business (as of December 31, 2010: € 1.4 billion). These credit facilities, which are made available to our subsidiaries around the world, include provisions for financing working capital as well as sureties for payment.

No major financed leasing transactions were concluded during the year under review.

RATINGS CONFIRMED

Ratings DB AG	First issued	Last confirmation	CURRENT RATINGS Short-term	Long-term	Outlook
Moody's	May 16, 2000	Aug 30, 2011	P-1	Aa1	stable
Standard & Poor's	May 16, 2000	Jan 17, 2012	A-1+	AA	stable
Fitch	Feb 17, 2009	Aug 3, 2011	F1+	AA	stable

As of February 21, 2012.

DB Group's creditworthiness is regularly examined by the rating agencies Standard & Poor's (S&P), Moody's and Fitch. In the year under review, S&P, Moody's and Fitch conducted their annual rating reviews and subsequently reconfirmed DB AG's good credit ratings. These ratings have therefore remained unchanged since they were first issued in 2000.

On December 8, 2011, S&P announced it would reevaluate DB AG's credit rating as a consequence of the announced review of the credit rating of the German Federal Government. The outlook for DB AG's rating was consequently set to CreditWatch negative, in line with the outlook for the Federal Government's rating. This was because DB AG's credit rating is supported by that of the Federal Government. And in the opinion of S&P, this support could be weakened if the Federal Government's rating were to be downgraded. On January 17, 2012, S&P *removed the CreditWatch* [1] and confirmed both DB AG's credit ratings as well as the stable outlook. Additional information on *ratings* [2] and the rating agency's complete analyses for DB AG can be found on our Web site.

[1] Page 44, [2] www.db.de/rating-e

Capital expenditures

Gross capital expenditure in property, plant and equipment and intangible assets remained low as in the previous year at € 8 million (previous year: € 13 million). There was no particular field of focus in the capital expenditure.

Balance sheet

Balance sheet as of Dec 31 — € million	2011	2010	CHANGE absolute	%
Total assets	29,727	29,117	+ 610	+ 2.1
ASSETS				
Non-current assets	25,674	24,409	+ 1,265	+ 5.2
Current assets	4,053	4,708	– 655	– 13.9
Deferred assets	0	0	–	–
EQUITY AND LIABILITIES				
Equity	14,954	14,228	+ 726	+ 5.1
Reserves	3,084	3,402	– 318	– 9.3
Liabilities	11,651	11,449	+ 202	+ 1.8
thereof interest-bearing liabilities	10,792	10,586	+ 206	+ 1.9
Deferred expenses	38	38	–	–

The balance sheet total as of December 31, 2011 rose year on year (2.1% or € 610 million). This change is primarily attributable to the rise in fixed assets and the associated financing with equity and liabilities.

Fixed assets almost exclusively consisted of financial assets as of December 31, 2011, as it did at the end of the previous year. The considerable increase in financial assets to € 25,651 million (as of December 31, 2010: € 24,371 million) is attributable to the increase in loans to affiliated companies to € 11,843 million (as of December 31, 2010: € 10,579 million).

Current assets declined, coming in at € 4,053 million as of December 31, 2011 (as of December 31, 2010: € 4,708 million). Particular causes for the drop were the reduction in liquid assets and the decline in receivables and other assets.

Accordingly, there has been a mild shift towards fixed assets in the structure of the assets.

On the equity and liabilities side, equity rose significantly as a result of the balance sheet profit increasing by 5.1% or € 726 million. The higher balance sheet profit was the result of the net profit for the year of € 1,226 million, offset by a dividend of € – 500 million. The equity ratio improved from 48.9% to 50.3% in spite of the rise in liabilities.

Provisions were significantly below the previous year's value at € 3,084 million (as of December 31, 2010: € 3,402 million). The revaluation of personnel-related provisions and tax provisions had an effect here. The proportion of provisions in the balance sheet total has fallen accordingly from 11.7% to 10.4%.

Liabilities rose slightly as of December 31, 2011 by € 202 million to € 11,651 million. The primary cause of this was the rise in other liabilities to € 341 million (as of December 31, 2010: € 162 million). These primarily concern short-term Group financing. The proportion of liabilities in the balance sheet total as of December 31, 2011 remained almost unchanged at 39.2% as against 39.3% as of December 31, 2010.

SUSTAINABILITY

::: PUNCTUALITY FIGURES TO BE PUBLISHED MONTHLY
::: FURTHER DEVELOPMENT OF OUR CORPORATE CULTURE
::: RAIL TRANSPORT ENERGY CONSUMPTION AND CARBON EMISSIONS FURTHER REDUCED

By implementing sustainable practices, we secure the future prospects and successful continued growth of our company. This requires us to at all times maintain a holistic overview of our targets of being a profitable market leader, a top employer and an eco pioneer.

Customers and quality

CUSTOMER AND QUALITY INITIATIVE CONTINUES

We launched our customer and quality initiative in the previous year and continued with it in the year under review. The initiative focuses on increasing the operational stability of rail transport in Germany as well as boosting customer satisfaction. Measures affecting long-distance and local transport as well as freight transport and infrastructure were developed in ten projects. The purpose of these measures is to ensure the highest possible level of operational quality during difficult operational situations such as exceptional weather conditions.

In the year under review, DB Group spent roughly € 480 million on its customer and quality initiative (of which approximately € 260 million was for capital expenditures).

PUNCTUALITY FIGURES TO BE PUBLISHED MONTHLY

In the year under review, we decided to be more transparent in terms of punctuality. Since launching the new *online statistics* [1] on September 20, 2011, we have been reporting on three different categories of punctuality every month: for local transport, for long-distance transport and for all passenger transport in Germany. The punctuality statistics comprise the more than 800,000 passenger train runs every month (of which over 20,000 are long-distance train runs and roughly 780,000 in local transport, including all S-Bahn lines). We evaluate the punctuality of these train runs at the beginning and end of the routes as well as at all the stops along the way.

In the year under review, we significantly improved the punctuality of our trains. For punctuality under five minutes, the average rate increased from 91.0 % in 2010 to 92.9 % in 2011. Both local and long-distance transport services posted higher annual rates in this category: long-distance transport achieved a rate of 80.0 % (previous year: 72.4 %) and the figure for local transport came in at 93.2 % (previous year: 91.5 %).

Employees

In order to guarantee better comparability over time, the number of employees within DB Group is calculated on the basis of full-time employees (FTE). Figures for part-time employees are converted into figures for equivalent full-time employees in accordance with their share of the regular annual working time.

The number of employees was 2,281 as of the end of the year under review (December 31, 2010: 3,427 employees). This figure includes two trainees (previous year: ten trainees). The average number of employees employed by DB AG in the course of the year was 2,247 (previous year: 3,495 employees). The decrease was caused by the relocation of personnel within DB Group from DB AG to other companies.

BEING A RESPONSIBLE EMPLOYER AND MANAGING DEMOGRAPHIC CHANGE

DB Group is currently changing from an organization in restructuring into a growth organization. In the coming years, we will lose an increasing number of employees as they reach the age of retirement. At the same time, competition for skilled employees will continue to intensify in the labor market. In order to meet the challenges of the demographic change, we have focused our efforts on a future-oriented human resources program of recruiting and developing employees as well as increasing employee retention.

Personnel recruitment

In order to successfully recruit employees even in times of tight labor markets, we have restructured our personnel recruitment.

With a strong employer brand name, DB Group shall position itself as an attractive employer and, in particular, clearly present its strengths such as professional diversity and opportunities for development within the Group. In order to continue to spark enough interest among suitable applicants for DB Group and to use all the synergies available to a large corporation, our recruitment activities are bundled in the regional job markets for important target groups and organized across all business units. The management of applications is being reorganized in the interest of maintaining professional contact oriented toward applicants as potential employees of DB Group, as well as for a successful entry into our company.

[1] www.bahn.de/puenktlichkeit

Vocational training and recruiting young talents

Not only is DB Group one of the largest employers in Germany, we are also one of the biggest providers of vocational training with currently over 10,000 trainees and dual degree students. Vocational training and dual study programs are the foundation of DB Group's efforts to secure the recruitment of skilled employees. Approximately 3,600 young people started vocational training with us during the year under review, and another 230 began a dual study program within DB Group. In addition, the "Chance plus" internship program gives approximately 400 school leavers who are not as well suited to vocational training the preparation they need to enter the professional world.

In addition to specialized knowledge and practical skills, a key element of our vocational training within DB Group involves acquiring service-based, social and methodological skills such as entrepreneurial thinking, customer orientation, independence and team spirit.

Sustainable personnel development

Strategic and sustainable personnel development ensures that DB Group will have competent and committed employees. Now more than ever, DB Group counts on developing skilled employees and management talent within the company by systematically supporting our talented and high-potential employees. We are reacting to the structural changes in higher education with more attractive offers for in-service further education.

Since the year under review, DB Academy has been in charge of training not only for top management personnel, but also for all managing and operational executives of DB Group. Based on a dynamic training philosophy, it offers systematic and continual career support from one source. The training of other employees is performed by DB Training as experts in learning, development and change processes. DB Training is also active in external mobility and logistics markets and conducted roughly 22,000 events with 230,000 participants for internal and external participants in the year under review.

2011 wage negotiations

Sound personnel work creates employment conditions that are attractive for groups with skills that are in demand while remaining affordable for companies. The wage agreements in the year under review make an important contribution to these efforts.

On January 25, 2011, the wage negotiations with the Railway and Transport Workers Union (EVG) were concluded. After a one-time payment of € 500, in December 2010 wages were increased by 1.8 % as of March 1, 2011, and by an additional 2 % as of January 1, 2012. Additional improvements to retirement benefits and structural issues were also agreed. The arrangement with the EVG has a term of 29 months.

In the wage negotiations with the German Train Drivers Union (GDL), an agreement with a term of 23 months was concluded on April 15, 2011. Following a one-time payment of € 500, wages increased by 2 % as of January 1, 2011. In addition, conditions for company retirement benefits were improved and individual extra payments were increased.

For the first time in the history of our company, we and our major competitors in local rail passenger transport have industry-wide standards for wages and working hours. The Mobility and Transport Services Association (Agv MoVe) as well as 24 additional train operating companies agreed to a sector-wide wage agreement with the EVG. Uniform standards for the working and wage conditions of train drivers were also introduced in agreement with the GDL.

Agreements were reached with both the EVG and GDL to continue the current employment security pact beyond 2011. This means that layoffs due to operational reasons continue to be ruled out. The negotiating parties agreed to establish this in a future collective wage agreement that, in addition, should provide a stronger consideration of the demographic development in personnel policies.

Group job market

In view of a significant increase in the need for personnel, almost all employees without limitations in their employment who are affected by job losses are able to find new employment immediately within DB Group. The transparency made possible by the strategic personnel planning leads to a significant improvement in job placement activities. We are able to use needs-based qualification measures to transfer personnel into new areas of activity in a fast and precise manner.

CORPORATE CULTURE

A strong corporate culture is a prerequisite for committed and satisfied employees and executives, and forms an important basis for the long-term success of our company. DB Group therefore promotes a corporate culture oriented toward the Group's values.

The first series of conferences on the future initiated in the previous year as the kick start for the further development of our corporate culture was concluded at the beginning of the year under review. Each of the five conferences welcomed up to 1,000 participants who developed ideas for a new form of collaboration and improved cooperation within DB Group. Employees and executives identified four central fields of action: room for decision-making and taking action, leadership, communication and strengthening cooperation across business units. We are currently working intensively on concrete changes in these four areas, and some ideas have already been implemented.

In order to continue the spirit of optimism and build on the results of the conferences on the future in the various regions, we started the regional dialogues on the future in October 2011. Up to March 2012, 14 events will take place throughout Germany as well as one in Barcelona. Each of the approximately 300 participants at each of the events will gather at various locations to continue work on the topics from the conferences on the future and to intensify the exchange across the business units.

EQUAL OPPORTUNITIES AND DIVERSITY

We promote diversity in our company and are in favor of partnership-like relationships with one another, for each and every employee contributes to our success with his/her individuality. With our commitment to diversity and programs specifically directed to target groups, we meet the challenges of demographic change and specifically reach out to those who were previously not taken into consideration. One field of action was identified as increasing the proportion of women, and we have set concrete targets. By 2015 the proportion of our female employees in Germany will be raised to 25 %, and to 20 % in executive positions.

Environment

We believe a corporate policy that takes into account economic, social and ecological factors is more than just a societal obligation. It is also the key to business success. Our environmental strategy thus sets the parameters for our company's ambitious environmental goals. In the year under review, we set an additional goal: to increase the share of renewable energy in the traction current mix to at least 35 % by 2020. DB Group is thus further expanding rail transport as the form of transport with the highest share of renewable energy in Germany, thereby also saving valuable resources that are becoming increasingly scarce. This goal is part of our climate protection program in which we want to reduce our worldwide specific carbon emissions by an additional 20 % between 2006 and 2020. In addition, our operations and production are continually becoming more energy-efficient as we further develop our green products.

GROUP-WIDE CLIMATE PROTECTION PROGRAM MOVES AHEAD

There are plans to reduce Group-wide specific CO_2 emissions – i.e. emissions per volume sold – by 20 % compared to 2006 by the year 2020. According to the data available, we had achieved a total decrease of 8.5 % by the year under review. Our global absolute CO_2 emissions remained unchanged year on year.

RAIL TRANSPORT ENERGY CONSUMPTION AND CARBON EMISSIONS FURTHER REDUCED

In total, we have reduced our specific CO_2 emissions in rail transport in Germany by 45% since 1990.

Roughly 34% of total emissions come from rail transport. Air freight accounts for approximately 26%, road freight transport posts 17%, and 13% is emitted in ocean freight. The remaining CO_2 emissions come from stationary systems and bus transport (including DB Fleet Management).

Data for DB Schenker Logistics will be available in the second half of 2012.

Social commitment

As one of Germany's biggest employers and occupational trainers, we bear a special responsibility – to our customers, employees, the environment and society as a whole. Providing support for children and young people is especially important to us. Our activities in this area focus on education and sports.

In society, we support numerous cultural, social and athletic establishments, initiatives and activities. Here, too, we focus in particular on children and young people. In the knowledge society of today and tomorrow, education is the greatest asset. Providing education is the task of society as a whole, and we play an active role in this. Since 1996, we have been working as a partner and member of the Stiftung Lesen (Reading Foundation) to strengthen Germany's reading and read-aloud culture.

The social integration of children and young people in need is the aim of the nationwide Off Road Kids Foundation. We have supported this organization since 1994 by enabling the foundation's street outreach workers to travel throughout Germany. Since the beginning in 1994, over 2,000 young people have been provided with new perspectives in life.

Promoting sports is also a high priority for us, since it provides joy in movement and promotes values like motivation and team spirit, fair play and social integration. It also provides role models for children and young people. This particularly applies to "Jugend trainiert für Olympia" (Youth Training for the Olympics). As a long-standing official mobility partner of this school sports event, the largest such event in the world, we organize low-cost transport for participants to and from the site as well as their accommodations. Since 2002, we have also been setting benchmarks in how we value sports through our close partnership with the National Paralympic Committee Germany. Since 2010, we have expanded this partnership to include disabled young people and are the exclusive main sponsor of the "Jugend trainiert für Paralympics" (Youth Training for the Paralympics) project, through which we make an important contribution to the social integration of schoolchildren with disabilities through sports. In addition to supporting elite sporting events, among other things as a partner for several major soccer teams, our involvement also addresses the basis and thus the future of the younger generation. By conferring the DB Young Talent Award (DB-Nachwuchs-Förderpreis), we acknowledge the dedication of the many people who work with children and young people in the field of soccer. This experience of integration is just as important for the future of society as it is for creating a spirit of initiative and the sense of community that young people encounter in the DB soccer camps. It is important to us to promote tolerance, team spirit, cultural skills and educational perspectives, and to therefore make a contribution to our society. For our company, long-term commitment and involvement are synonymous with investing in young people.

As a partner of the city of Hamburg as the 2011 European Green Capital, DB Group provided support to the Hanseatic city with numerous measures such as an info pavilion at the central station and the "Train of Ideas."

ADDITIONAL INFORMATION

::: RAIL TECHNOLOGY AND SERVICES DIVISION REALIGNED
::: GERMANY A LEADER IN EUROPE FOR RAIL TRANSPORT MARKET LIBERALIZATION
::: DAMAGE CLAIMS AGAINST RAIL MANUFACTURERS UNDER CONSIDERATION

Rail Technology and Services division realigned

The Rail Technology and Services division was realigned effective January 1, 2011. Process responsibilities were reassigned such that the business units are now in charge of construction supervision instead of corporate headquarters, for example. The roles and responsibilities of the system network business units were outlined in greater specificity. Strategic objectives were made more of a focus. The realignment of this division also involved organizational structure changes.

The roles of Chief Technology Officer (CTO) and Chief Quality Officer (CQO) were newly defined and/or changed. These officers have guideline authority for the entire Group within their respective areas of responsibility. The CTO, for example, oversees the Group's overall technology strategy and coordinates the respective sub-strategies. The technical core competencies of DB Group were bundled within the newly formed CTO unit as part of the realignment. The new position of Chief Procurement Officer (CPO) is a service function closely involved with the business units.

The decision was made to spin off DB Systemtechnik in order to tap the market potential in railway engineering services. Upon registration in the trade register, the formal procedure was completed for the spin-off of the company as an independent GmbH retroactively to January 1, 2011. This new entity is to be grown to become the leading provider of engineering and inspection services in the European railway sector.

The new roles of the organizational units within the Rail Technology and Services division consist of:

::: Group functions for addressing and moving forward on Group-wide issues
::: service functions supporting the business units
::: business units with independent profit responsibility

Purchasing volume up significantly

A central, uniformly structured procurement policy generates added value for DB Group. This was especially evident in the face of the procurement market volatility seen in the year under review. While procurement costs were clearly trending upward at the start of the year, by year-end economic activity was definitely stagnating.

Even under last year's conditions, it was possible to realize savings Group-wide. The FAST purchasing program ongoing since 2009 has been expanded in scope. Over 1,800 individual measures have been undertaken to systematically realize potential on a sustained basis in virtually all major product groups. The program is being continued in line organization in 2012. The focus is on international procurement volume. Bundling benefits are expected in particular in this area. The first success was the awarding of an IT hardware contract on an international scale, through which significantly lower prices were obtained. At the same time, we are moving forward with the standardization of purchasing content. Standardized product specifications are being employed for the targeted multi-region or multi-project bundling of procurement goods.

The supplier evaluation IT system rolled out in the year under review is being further optimized in 2012 and expanded in its supplier qualification and supplier development capabilities. Having a single integrated system in place allows for the effective management of supplier portfolios with respect to both quality and price. The first instruments introduced were so-called quality gates. These milestones were introduced in procurement projects to identify and contain project risks at an early stage to ensure the on-schedule, contract-compliant delivery of rolling stock of the highest possible quality. This involves the inspection and evaluation by the contracting customer of the quality and completeness of goods and services provided by the contractor up to one of a maximum of ten fixed dates.

The passing of each quality gate is addressed in a joint meeting between the contracting customer and the contractor. The contractor concretely presents the project status and progress using a quality gate criteria list and presents the critical path for the continued on-schedule fulfillment of contracts in the desired quality. The contracting customer then presents his/her assessment, including an overall assessment of project risk, and decides whether the quality gate has been passed. The industry applauds this approach, and quality gates are now being used in eight procurement projects, with another five in planning.

Procurement volume was significantly higher in the year under review, at € 28.5 billion (previous year: € 22.8 billion). This 25 % year-on-year increase was due almost entirely to the first order for 130 new ICx trains.

Procurement volume breaks down as follows for the year under review:

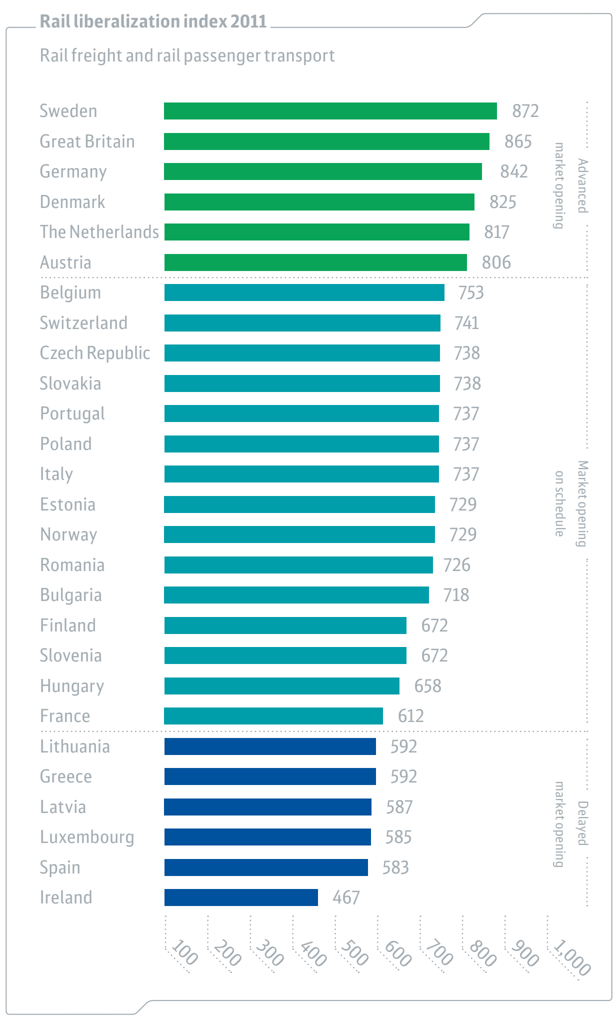
- Freight forwarding services rose from € 9.8 billion to € 10.1 billion.
- Industrial products rose from € 4.2 billion in the previous year to € 9.1 billion in the year under review as a result of the ICx order.
- Construction services declined slightly from € 3.8 billion to € 3.6 billion.
- Third-party services rose from € 2.7 billion to € 2.9 billion.
- Energy and fuels rose from € 2.3 billion to € 2.7 billion.

The energy price trend varied in the course of the year. Price levels rose overall versus the previous year, causing energy costs to increase in spite of energy consumption which remained virtually unchanged.

Germany a leader in rail transport market liberalization

According to the *2011 Rail Liberalization Index (LIB Index)* [1] published in April 2011, Germany is a leader in Europe in rail transport market liberalization. Only Sweden and the UK are ahead of Germany, in that order.

The LIB Index tracks the degree of market liberalization of European rail markets, factoring in legal and de facto market access barriers from the perspective of a train operating company looking to enter the market. According to the study, in the four years since the last LIB Index report was published in 2007, access to European rail transport markets has further improved, in part because all of the countries included in the study have enacted laws promoting access.



[1] www.db.de/libindex-e

Other legal issues

DAMAGE CLAIMS AGAINST RAIL MANUFACTURERS UNDER CONSIDERATION

Since June 2011, the Bochum public prosecutor and the German Federal Cartel Office have been investigating several firms on suspicion of years of illegal price collusion in sales of rail tracks and potentially other superstructure materials. DB Group may have been exposed to millions of euros of damages as a result. We are considering damage claims of our own, which we will assert if possible.

GROUP COMPANIES TARGETED IN ANTITRUST PROCEEDINGS

The EU Commission carried out follow-up investigations at several DB Group locations as part of antitrust proceedings from late March through early April and in July 2011. The traction current pricing system employed by DB Energie GmbH since 2003 is one subject of the investigations. This system was deemed admissible by the Higher Regional Court of Frankfurt am Main in 2006.

We have filed a suit with the General Court of the European Union in Luxembourg contesting the legality of the follow-up investigations.

GERMANY SUED FOR IMPROPER IMPLEMENTATION OF THE FIRST RAILWAY PACKAGE

On June 24, 2010, the European Commission resolved to file a complaint with the European Court of Justice against Germany and 12 other EU member states. The countries concerned are accused of improper implementation of the first European railway package, particularly in relation to the ownership unbundling requirements. The European Commission and the Federal Republic of Germany are the parties involved in the agreement violation proceedings. The German Federal Government has rejected all of the Commission's allegations.

We concur that the Commission's arguments do not hold up. DB Netz AG makes its own decisions on track access and usage charges independently of other DB Group companies. The holding company structure in place in Germany is explicitly allowed under European railway law.

SUBSIDY COMPLAINT – BERLIN/BRANDENBURG TRANSPORT CONTRACT

In August 2003, Veolia Verkehr GmbH (Veolia, formerly Connex Regiobahn GmbH) filed a complaint with the European Commission (EU Commission) against alleged illegal subsidies. The proceedings concern the conclusion of a transport contract between DB Regio AG and the Federal states of Berlin and Brandenburg. Veolia holds that the contractual payments received by DB Regio AG (concession fees) represent subsidies as defined by European law.

In a resolution dated October 23, 2007, the EU Commission initiated formal proceedings against the German Federal Government. In statements, both the German Federal Government and DB Regio AG have outlined that subsidies are not in evidence in their opinions. Initiation of formal investigative proceedings is a procedural step that in no way anticipates the results of the Commission's investigation.

INVESTIGATION AT DB INTERNATIONAL

The accounting firm KPMG conducted a special audit of DB International GmbH (DB International) after allegations against DB International came to the attention of the Frankfurt public prosecutor in legal proceedings. The prosecution alleges that former employees paid cash or in-kind contributions to decision makers in foreign countries, either directly or through third parties. The findings of the special audit partially confirmed the allegations. DB International has taken action accordingly. The official investigation is still ongoing.

RISK REPORT

::: INTEGRATED RISK MANAGEMENT ENSURES TRANSPARENCY
::: KEY RISKS IN THE AREAS OF THE MARKET, PRODUCTION, TECHNOLOGY AND THE PROCUREMENT MARKET
::: RISK PORTFOLIO FREE OF EXISTENCE-THREATENING RISKS

Our business activities involve both opportunities and risks. Our business policy is aimed at both seizing opportunities with our *opportunity management system* [1] and actively controlling identified risks as part of risk management. The information processing this involves is performed by our integrated risk management system, which is configured to meet the requirements of the German Corporate Sector Supervision and Transparency Act (KonTraG). This system is optimized on an ongoing basis.

Risk management within DB Group

The principles of the Group's risk policy are stipulated by corporate management and are implemented throughout the Group. Within the framework of our early risk detection system, quarterly reports are submitted to DB AG's Management Board and Supervisory Board. Risks arising outside of the regular reporting cycle must be reported immediately. Planned acquisitions are subject to additional special monitoring. Arriva, which was acquired in 2010, was integrated into the DB Group risk management system in the year under review.

Our risk management system maps all of the risks in a risk portfolio and also individually in detail, factoring in materiality thresholds. The risks discussed in the risk report are categorized and classified according to their probability of occurrence. In addition to the possible consequences, the analysis focuses on approaches to and the cost of countermeasures. In terms of organization, Group controlling serves as the coordination center for our risk management.

In the context of Group financing, which is strictly oriented to our operating business, Group Treasury bears the responsibility for the limitation and monitoring of the resultant credit, market and liquidity risks. Centralized handling of the relevant transactions (money market, securities, foreign exchange and derivative transactions) by DB AG results in the potential risks being managed and contained centrally. Group Treasury is organized in line with the Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement; MaRisk) applicable to banks and meets all of the requirements of the KonTraG Act as a result of the MaRisk criteria.

KEY CHARACTERISTICS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM WITH REGARD TO THE GROUP'S ACCOUNTING PROCESS

Our risk management system is supplemented by a Group-wide internal control system that encompasses accounting-related processes.

Our internal control system is aligned with the "Internal Control – Integrated Framework" criteria defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The COSO model is a generally accepted theoretical framework on the basis of which internal control systems are assessed on five separate levels. Based on this model, our accounting-related internal control system is supported by basic control mechanisms such as automated and manual reconciliation, the clear separation and definition of functions, and the observance of guidelines and specific work instructions that are applicable throughout the Group.

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In addition to the aforementioned instruments, we also employ the following accounting-related control mechanisms:

- ::: Group-wide uniform reporting based on the standard software Hyperion Financial Management (HFM) for all the consolidated companies documented in the corporate information system (Firmen Informations System; FIS)
- ::: systematic tracking of changes in the accounting rules of the International Financial Reporting Standards (IFRS) and the German Commercial Code (HGB)
- ::: regular and comprehensive updating of the corresponding accounting directives and accounting-related systems
- ::: use of a uniform item number plan
- ::: the appropriate information of staff members tasked with reporting

The auditing activities of the intra-Group auditors, which represent a key element of our control mechanisms as a process-independent instrument, are focused on evaluating the adequacy and effectiveness of our internal control system. Property, plant and equipment and warehouse inventories are also audited.

In addition to the monitoring mechanisms in place, the Audit and Compliance Committee and the Supervisory Board review the accounting process and the effectiveness of the internal control system.

Based on a binding schedule for closing the books, accounting materials are prepared by the decentralized bookkeeping departments, which primarily use standard software, in accordance with IFRS principles and observing the valid uniform Group procedures. This information is then transmitted to the centrally managed HFM system.

The management at the companies included in the consolidated financial statements and of the individual business units verify the correctness of the data relevant to the annual financial statements in an internal quarterly reporting process. In particular, confirmation is given that the financial data provide a true and fair view of the net asset, financial and earnings position of the reporting unit in all of its key areas. Confirmation is also given that the responsible management implemented the centrally defined internal control systems for reporting and, if necessary, supplemented these with their own documented control and monitoring instruments.

Key risk categories and individual risks

The key risks in relation to the DB Group statement of income include, in particular:

GENERAL ECONOMIC RISKS

Among other things, demand for our mobility services and, in particular, our transport and logistics services is dependent on overall economic developments. Economic growth fuels the megatrends underlying our strategy in the markets in which we operate. Macroeconomic shocks such as economic and financial crises can thus negatively impact our business. The potential effects of the debt crisis in Europe on the health of the economy are another factor of uncertainty.

Passenger transport is especially influenced by key economic parameters such as disposable income and the level of employment. Risks connected with the sovereign debt crisis could have an adverse effect on, in particular, our international activities in the DB Arriva business unit, as DB Arriva could be directly affected by spending cuts in the countries facing severe budget and government debt problems.

The rail freight transport business depends largely on demand for transporting consumer goods, iron, coal and steel (Montan)-related goods, mineral oil products, chemical products and building materials. This demand is subject to cyclical fluctuations. Changes in our customers' production structures also play a role, as our customers are frequently faced with global competition.

The economic situation of our customers determines their demand for storage and transport services, affecting the freight forwarding and logistics businesses.

MARKET RISKS

We face tough intermodal and intramodal competition in the German passenger transport market, particularly from motorized individual transport, which is our principal competitor. We continuously improve our service and performance quality in order to further strengthen our competitive position. On the supply side, we optimize our timetables so as to offer shorter travel times whenever possible (following the completion of infrastructure projects, for example). We also implement numerous measures to better our services, for example through our *customer and quality initiative* [1]. Our *punctuality record* [2] is subject to close monitoring. We use special offers as a means of improving our customers' perception of our prices. Over the next few years, we will also be investing heavily in our long-distance transport fleet.

There is intense intramodal competition in Europe for securing long-term regional transport contracts. To succeed in this market environment, we are continuously optimizing our bid management and cost structures so as to be able to submit attractive yet profitable bids. Major tender volumes will be at stake in Germany over the next few years, presenting all of the bidders with sizable organizational challenges.

There is considerable competitive pressure in both intramodal and intermodal rail freight transport. The situation is exacerbated by the growing significance in the market of low-cost truck fleets from newer EU member states. The rail freight transport market thus involves market risks predicated upon the need to adapt to intensifying competition across all modes of transport and upon the resultant margin losses. We are responding with measures to further raise efficiency and reduce costs. In addition, we are optimizing our service offerings and integrating rail freight transport into comprehensive logistics packages.

Our freight forwarding and logistics activities are above all exposed to highly competitive market conditions. We are responding to these by further expanding our networks and improving our cost structures, services and IT infrastructure.

Risks arising from changing customer demand and shifting transport flows are addressed Group-wide by means of extensive market observation and the continual further development of our portfolio. With regard to market risks relating to potential changes in the legal framework on a national and international level, we actively participate in discussions and debates ahead of such changes.

OPERATING RISKS

Our operations as a train operating company are based on a technologically complex, networked production system. Our activities are put at risk by operational disruptions and, in particular, the negative impact on punctuality that such disruptions cause. Compromised punctuality in long-distance transport lowers service quality and may lead to customer losses. In regional transport, there is also the risk of incurring penalties levied by the relevant ordering organizations in the event of service cancellations or inadequate punctuality.

Sufficient availability of our vehicle fleet is also critical. Significant vehicle availability problems jeopardize our normal operations schedule. We endeavor to counter this risk by taking precautionary measures and by minimizing its impact with, for example, the provision of replacement vehicles and substitute transport services.

Punctuality is a key issue for our rail freight transport customers when selecting a service provider. Additionally irregularities, such as customs violations and theft, can occur during transports. We combat these risks with measures such as employing qualified customs coordinators and using an immediate tax assessment notice reporting system. The decommissioning of the GKN I power plant and uncertainties regarding the availability of power plants generating traction current may lead to operational disruptions due to energy supply shortages at peak network load times.

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We address the risk of operational disruptions generally through systematic maintenance, the deployment of qualified personnel, and ongoing quality assurance and process improvements. The nature of the railway business as an open system means we have only limited influence over certain factors such as accidents, sabotage and theft, which could potentially negatively impact operations. In this respect, our efforts focus on minimizing the impact of such incidents.

TECHNOLOGICAL RISKS

The range and quality of our services are highly dependent on the availability and reliability of the production resources used and the intermediate services procured, and on the quality of our partners' services. We therefore discuss quality issues thoroughly with our suppliers and business partners.

In addition, the technical production resources used in rail transport have to comply with possible changes in the applicable standards and requirements. Consequently, technical complaints regarding our vehicles may occur. There is a risk that individual series or train car types may be prohibited from operating or may only operate under certain conditions such as lower speeds, shorter maintenance intervals and reduced wheel set loads. In addition, manufacturers cannot deliver newly purchased vehicles to us if the necessary vehicle certification has not been granted. This can result in operational disruptions and higher costs.

It cannot be ruled out that the intervals between maintenance/ultrasound inspections may be further shortened in future. This would heighten operational restrictions unless the vehicle fleet was expanded.

Track infrastructure standards and requirements are also important parameters for our operations and may be subject to change. Failing to comply with these requirements can likewise result in operational restrictions or prohibitions. To address these risks, we have bundled the relevant activities and maintain an active dialog with the competent authorities.

PROCUREMENT RISKS

Purchasing prices for raw materials, energy and transport services can vary depending on market conditions. The market and the competitive situation may not allow the passing on of cost increases to the customers in the short term, or may only allow this to a limited extent, thus affecting margins.

We counter the risk of higher energy prices with the aid of suitable derivative financial instruments.

PROJECT RISKS

Modernization of the railway system as a whole involves huge investment volumes and a large number of highly complex projects. Changes in the regulatory environment, implementation delays and necessary adjustments in the course of these frequently multiyear projects create risks that can affect a number of business units due to interconnected production structures. Price increases for purchased services or for construction may also have a negative impact. Accordingly, we carefully monitor project budgets. This applies in particular to the large, centrally managed projects.

INFRASTRUCTURE FINANCING RISKS

A key element of the German Rail Reform Act is the Federal Government's constitutional obligation to finance the rail infrastructure. The key criteria are sufficient amounts and the predictability of the means of financing available in the future. We concluded a service and financing agreement with the Federal Government that stipulates financing for the existing network through to 2013. However, in order to ensure the long-term competitiveness of rail as a mode of transport, there is also a need for sufficient funding for systematic new construction and expansion and for the elimination of bottlenecks (requirement plan capital expenditures). Federal funding for conducting these capital expenditures projects is factored into our multiyear business planning, although the corresponding funding agreements could not yet have been finalized and concluded. There is also a risk that the government may reclaim grants on the basis of an audit of how the Federal funds were used.

RISKS RELATING TO REGIONAL TRANSPORT FUNDING CUTS

The development of the regional transport market in Europe depends on the amount of funding available for commissioning new transport services and supporting existing services. A large proportion of our revenues therefore comes from payments for our European regional transport activities from mostly government or government-backed ordering organizations (primarily concession fees). In view of efforts to tighten public budgets (especially in countries with high levels of government debt), there is a risk that funds may be cut. We counter this risk by adapting our services accordingly and by growing our farebox revenues.

FINANCIAL RISKS

We counter interest rate, currency and energy price risks arising from our operating business in part through original and derivative financial instruments. These instruments are discussed in the notes to the consolidated financial statements. There is a risk that hedges may fail to materialize or may not materialize to the degree anticipated.

The expansion of our international business involves currency risk, due to cash flows in different currencies. This applies in particular to the US dollar, the pound sterling and the Swedish krona.

Pension and similar retirement benefit obligations are partially covered by plan assets held in stocks, real estate, fixed-income securities and other investments. Losses of value in these assets directly reduce the cover of pension obligations by plan assets, potentially requiring the company to provide additional cover.

We enjoy very good access to the capital markets thanks to our solid credit ratings. In order to ensure DB Group's solvency and financial flexibility at all times, we have cash and cash equivalents at our disposal as well as credit facilities, a € 2 billion commercial paper program, and a € 15 billion debt issuance program. We employ Group-wide cash pooling to ensure that liquidity can be provided to Group companies as needed.

LEGAL AND CONTRACTUAL RISKS

Legal risks exist in the form of, among other things, damage claims and legal disputes. In many cases, these concern construction projects, real estate and environmental issues (in particular the consequences of phasing out nuclear energy). There is also a risk that some long-term transport contracts may become uneconomical due, among other things, to unforeseen cost increases. We endeavor to counter such risks through cost-cutting and income-enhancing measures.

Provisions have been allocated for legal and contractual risks, factoring in the estimated probability of occurrence in each case. Utilization of these provisions depends on whether these risks materialize to the extent as set forth in our current estimates.

REGULATORY AND POLITICAL RISKS

Changes in the legal framework at the national or European level can pose risks to our business. DB Group provides rail transport services in a regulated market. The German rail network was liberalized in 1994, allowing non-discriminatory access. Regulations govern individual components of the pricing and terms of use applied by our rail infrastructure companies. There is a risk of complaints and intervention regarding these components.

Additionally, the structure of DB Group may expose it to regulatory risks. These could arise on a national or European level.

Political risks include, in particular, the tightening of existing railway standards and regulations.

PERSONNEL RISKS

Our employees and their skills are of central importance to our future success. Our compensation systems and staff development programs and measures are aimed at retaining our employees and motivating them to perform to the best of their abilities. Undesired employee departures are few within our organization. This reflects our efforts to boost our employees' commitment and their identification with DB Group. It also demonstrates how attractive we are as an employer.

Given the current age structure within DB Group, we will have significantly higher staffing requirements in future, while at the same time recruitment will become more difficult due to demographic trends. Also, competition to attract highly qualified staff and managers is steadily increasing. We are addressing these challenges by maintaining close ties with schools and universities and through increasing the recruiting activities of our recruitment organization.

Additionally, when integrating newly acquired companies, we endeavor to retain employees in key positions.

Our staffing cost structure in comparison to those of our competitors is of crucial importance to our ability to compete effectively. Additional one-sided burdens, such as higher wage agreements than those negotiated by our competitors, erode our competitive position. The conclusion of a collective agreement for the local rail passenger transport industry represents an important step in the right direction. This means that wages and work hours are governed by industry-wide collective agreements. Negotiations are also under way with the GDL train drivers' union to establish uniform work and pay conditions.

COMPLIANCE RISKS

The restructuring of our Compliance department in 2009 documented that we are committed to ensuring that every DB Group employee views the full observance of valid laws, corporate guidelines and recognized regulatory standards as an assignment and an obligation. Our Compliance department's mission is to ensure that our actions conform with such rules. Details are provided in the *Compliance report* [1].

IT RISKS

Insufficient IT management can seriously jeopardize DB Group business processes (e.g. interrupted availability of IT systems, unauthorized third-party accessing of customer data). We employ a variety of methods and resources to identify and contain potential risks.

A special group of professionals (the IT Project Assurance Group) exists for risk management in IT projects, which oversees all major IT projects with the aim of ensuring project success.

The IT risk management department for applications and infrastructures systematically identifies and eliminates or contains the relevant risks. Residual risks are documented, reported to the competent departments as applicable, and monitored.

In addition, the system architecture is regularly reviewed and hardware platforms are regularly upgraded to ensure that our information technology is always up to date and meets our constantly changing business requirements.

To ensure high IT availability, we use redundant operational and data backup systems distributed across different locations, fail-safe systems, outsourced tape backup and separate administration structures. Our wide area network (WAN) is also redundantly designed wherever IT security and business continuity require this. These measures are aimed at reducing the risk of IT system failures and avoiding huge disruptions, to keep mission-critical business processes running.

Management assessment of the risk situation

Assessment of the current risk situation is conducted using our risk management system. The primary risks in the year under review were general economic, market and operating risks. Overall, risk exposure was slightly greater in the year under review compared to 2010.

Third-party assessments also play an important role in overall risk assessment. In addition to the Group's own risk assessment, DB Group's credit standing and aggregate default risk are also gauged by the three rating agencies Moody's, S&P and Fitch. The favorable ratings assigned by these agencies conform with our own internal estimates regarding overall risk exposure.

Based on our analysis of the risks, countermeasures, safeguards and precautions and in the opinion of the Group Management Board, the latest risk assessment and mid-term planning indicate that there are no risks that could, either individually or in aggregate, impact DB Group's net asset, financial and earnings position so as to jeopardize its existence as a going concern.

We have established all the organizational structures necessary to be able to identify risks in a timely manner. Ongoing risk management and active monitoring of risks in the key risk categories help to contain the risks for DB Group.

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MANAGEMENT BOARD REPORT ON RELATIONSHIPS WITH AFFILIATED COMPANIES

The Federal Republic of Germany holds all shares in DB AG. As per Section 312 et seq. of the German Stock Corporation Act the Management Board has prepared a report on relations with affiliated companies, concluded with the following declaration: "We declare that our company received an appropriate consideration for every legal transaction based on the circumstances that we were aware of at the time the legal transactions were conducted.

In the year under review, there were no measures taken or forbearance exercised at the instigation of or in the interest of the German Federal Republic or companies affiliated with it."

EVENTS AFTER THE BALANCE SHEET DATE

::: NEGOTIATIONS ON FUTURE COLLECTIVE WAGE AGREEMENT INITIATED
::: S & P LONG-TERM RATING CONFIRMED
::: AGREEMENT REACHED ON USAGE FEES FOR TRACTION CURRENT LINES

Future collective wage agreement designed to meet the challenges of demographic change

Agreements were reached with both the EVG and GDL to continue the current employment security pact and to adapt it in line with the current demographic challenges. The key aspects of a future collective wage agreement (Zukunft-Tarifvertrag; ZukunftTV) were agreed upon.

A core element of the future collective wage agreement is a life phase model that is more accurately based on the needs of employees and which will give them prospects for their entire professional lives within DB. The negotiations on the ZukunftTV initiated in summer 2011 were not concluded by the end of the year, as had been previously planned. The negotiations will continue in 2012 as agreed. The current collective employment security agreement (Beschäftigungssicherungs-Tarifvertrag; BeSiTV) was conditionally extended such that employees are not disadvantaged by the extension while negotiations continue. The ZukunftTV will also contain a new form of regulating employment security. Layoffs due to operational reasons will still be ruled out.

S & P removes CreditWatch

On January 17, 2012, the rating agency S & P concluded the review of DB AG's long-term credit rating initiated on December 8, 2011, removed its CreditWatch, and confirmed the company's previous credit rating. DB AG's long-term rating of "AA" therefore remains unchanged with a stable outlook.

The dissolution of CreditWatch is the result of the findings of the evaluation of the long-term credit rating of the Federal Republic of Germany by S & P on January 13, 2012. This came about due to the classification of DB AG as a government-related entity as per the methodology of S & P, because the Federal Republic of Germany is the sole owner of DB AG.

The short-term rating of DB AG issued by S & P remains at the highest category ("A-1+") as before.

Agreement reached on usage fees for long-distance traction current lines

At the end of February 2012, an agreement was reached in the review process on usage fees for traction current, with a settlement that has yet to be concluded between BNetzA and DB Energy. According to the agreement, the BNetzA has approved the usage fees with cutbacks for the period from 2005 to 2008, while DB Energy will be retroactively included in the incentive regulation system beginning in 2009. For the first regulation period from 2009 to 2013, a revenue path was outlined that determines a fixed annual revenues cap.

The additional revenues generated made from usage fees levied in the past will be deducted from the approved revenues cap as of 2009.

The revenues caps for the second regulation period from 2014 to 2018 will be subject to an additional review that will begin in the second half of 2012.

OUTLOOK

::: ECONOMIC GROWTH TO SLOW DOWN IN 2012
::: INCREASES EXPECTED IN REVENUES AND PROFITS IN 2012
::: OUTLOOK REMAINS CLOUDED BY UNCERTAINTIES

At the time this report was prepared, there was still a high level of uncertainty with regard to economic development. In particular, it currently remains unclear what effects a renewed escalation in the sovereign debt crisis might have. However, we expect economic growth to noticeably slow down. This may lead to recessive developments in some countries.

Economic outlook

The outlook for economic development in 2012 is based on the assumption of generally stable geopolitical development. At the same time, based on the worsening economic outlook in recent months and on the probability of occurrence of existing risks, the following estimates are affected by high levels of uncertainty.

Anticipated development — %	2011	2012
GDP World[1]	+2.5	<+2.5
World trade	+5.5	<+4.0
GDP Eurozone	+1.5	±0.0
GDP Germany	+3.0	+0.5

[1] Total of selected developed and emerging countries.
The data for 2011 is based on the information and estimates available on February 15, 2012.

Global economic growth is expected to continue to slow down in 2012, as the effects of the sovereign debt crisis continue to burden the global economy. The cutbacks needed in order to consolidate public spending will slow economic growth in the United States and Europe. Positive stimuli for the global economy may only come from the emerging markets – in particular from Asia – despite government measures to prevent the economy from overheating. In industrialized countries, only moderate growth is expected, and even recessions are forecast for some European countries in crisis. Even with an optimistic outlook for the global economy, 2012 is likely to be marked by weak growth in which the global GDP would only increase by just under 2.5 % and global trade would grow by a maximum of 4 %. If confidence in the fiscal policy of consolidating public spending and in the stability of the banking system cannot be restored, a new global recession cannot be ruled out.

Momentum for economic growth in the United States and Japan should increase again slightly due to the non-recurrence of temporary burdening factors experienced in 2011 such as the aftermath of the natural disaster in Japan and a sharp increase in oil prices, but growth is likely to remain moderate on the whole. Economic development in the Asian emerging markets is set to be weaker than in recent years, but will nevertheless be very strong. For China, we expect an increase in production of approximately 8 % in 2012.

In Europe and, in particular, in the Eurozone, uncertainties and the worsening of financing conditions due to the escalation of the debt crisis should considerably limit economic growth. Investments and private spending are being noticeably diminished, and public spending is being limited by the high levels of government debt. The economy in European countries will potentially be supported in 2012 by monetary policy which remains expansive and by the high, albeit weakened, pace of growth in the emerging markets of Asia, Latin America and Central and Eastern Europe. Overall economic production in Europe is expected to stagnate in 2012. Insofar as the sovereign debt crisis does not escalate any further and causes no greater contagious effects in Europe's financial markets, uncertainty should decline in the course of 2012, allowing financing conditions to improve slightly. As a result, the economy should be revived. A stronger recovery will, however, be offset by the necessary consolidation measures in many of the EU member states.

The rate of expansion in Central and Eastern European (CEE) countries should slow down in 2012. Exports will be burdened by a weaker economic development in Western Europe. Little economic stimulus is expected from private households. Weaker cash inflows and a more restrictive lending policy are to be expected due to the recent rise in the banks' aversion to taking risks. The CEE region's GDP is likely to remain higher than the EU average.

The sovereign debt crisis is increasingly burdening the German economy. The momentum for economic growth will slow down significantly in Germany as well, and its 2012 GDP is expected to have only moderate growth. Due to the slowdown in the economy of important trading countries, economic stimuli from foreign trade will decline. Exports should even post weaker growth than imports. Foreign trade is likely to no longer contribute to GDP growth. Domestic use should therefore be the driving force in the economy. Due to consolidation measures, however, government consumption will increase only slightly. Private spending is also expected to post weaker growth than in 2011 due to the continued uncertainty among consumers. In 2012, the German economy will benefit above all from the expected low interest rates in the Eurozone. Based on low costs of financing, investments should increase slightly compared to the previous year. The situation in the labor market is expected to remain stable. We believe employment will grow only marginally in the coming year due to the weak economy. Disposable real income should be able to increase somewhat due to the slight improvement in employment and higher wage agreements, despite continued inflation. Production in the manufacturing industry will achieve only moderate improvement due to weaker demand. Raw steel production, on the other hand, will not exceed the high level it posted in the previous year.

Anticipated development of the relevant markets

Anticipated development — %	2011	2012
German passenger transport market (based on pkm)	+1.3	<=+1.0
European rail passenger transport market (based on pkm)	+0.5	<+0.5
German freight transport market (based on tkm)	+3.2	<=+2.0
European freight transport market (based on tkm)	+5.5	<=+1.5
European land transport (based on revenues)	+7.4	+4.0 to +6.0
Global air freight (based on t)	-0.6	<+1.0
Global ocean freight (based on TEU)	+5.5	+4.0 to +5.0
Global contract logistics (based on revenues)	+6.0	+5.0 to +7.0

The data for 2011 is based on the information and estimates available on February 15, 2012.

Due to the expected favorable development of the labor market and the continued slight increase in real income, the economic effects for the German passenger transport market remain in place and overall demand should once again increase slightly. While German domestic air transport will benefit from a positive baseline effect after the weak development in 2011, it remains unclear how high the burdens in the form of additional costs for emissions certificates will be or which effects they will have on demand. For rail passenger transport, too, we expect more dynamic growth after experiencing dampened development based on the non-recurrence of positive special items in the year under review. Public road passenger transport will possibly stabilize, but this will depend on the development of the liberalization of long-distance bus transport services and on the volume of services and the demand for such services.

In the European rail passenger transport market, we expect a development similar to the previous year in view of the worse overall economic outlook and the consolidation efforts of many EU member states. However, there will continue to be significant regional differences. In view of the austerity measures that are either planned or already being implemented in several countries, an increased risk of strikes with corresponding dampening effects on the demand for transport can be expected.

In the German freight transport market, in view of the existing uncertainties, we can expect a more moderate increase in demand in 2012, following the dynamic recovery in 2010 and the strong increase in the year under review. Further developments depend largely on how quickly the economic and fiscal policy situation in Europe stabilizes and how quickly the demand for transport can regain momentum after the anticipated weak start to the year. The intensity of competition will increase once again due to an overall expected decline in demand, and pricing pressure should also rise. Not least in view of the high level of uncertainty, 2012 will therefore once again be a challenging year for all the market participants.

We also expect merely a weak level of growth in the European rail freight transport market in 2012. This should only slightly exceed the level from the previous year, as hardly any growth stimuli are expected from the industry due to the general cooling of the economy and the sovereign debt crisis. With the decline in demand, both intermodal and intramodal competition pressure will increase significantly, and prices will therefore become more and more important as a deciding factor. In view of the austerity measures that are either planned or already being implemented, several countries can expect to see an increased risk of strikes with corresponding dampening effects on the demand for transport. Additional burdens are expected due to the planned closure of or reduced services on the Brenner train-path for several weeks in summer 2012.

Given the reserved economic outlook, we expect the European land transport market in 2012 to post a weaker development than in the year under review, while nevertheless remaining very favorable. Accordingly, we expect to see a continued tense market situation and strong margin pressure in 2012.

In the global air freight market, we expect to see slight growth at best in 2012. We anticipate the transfer from air freight to ocean freight observed in the year under review to continue in 2012.

For ocean freight, we expect an increase in demand of roughly 4 % to 5 %, although the market environment will once again be influenced by overcapacities in 2012.

Based on the anticipated increase in outsourcing rates in our most important industries as well as a continued, although slow, economic growth in many core countries for contract logistics, we expect a generally favorable market development in the contract logistics/SCM division in 2012, which could be largely on a par with the result seen in the year under review. This is particularly true for the key emerging markets. In the main industries for contract logistics, the overall outlook remains favorable, although the automotive sector in particular is expected to experience slower growth.

After the significant growth in the year under review, train-path demand in 2012 should be at a similar level as in the previous year. We also expect a stable development for station stops. The outlook for the area of leasing is likewise favorable, based on general conditions that remain good for retail and gastronomy in spite of a marginal weakening. Retail revenues in Germany should once again increase slightly.

Anticipated development of the capital markets

CONTINUED HIGH LEVEL OF GOVERNMENT BOND ISSUES EXPECTED

Due to the high level of debt in most countries in Europe, we anticipate that the volume of bond issues from governments and government institutions will remain high in 2012. The issuing activities of various institutions within the scope of stimulus packages will be of particular importance in this respect.

Due to the high refinancing needs of Eurozone countries and expectations of a relatively favorable cash flow situation for companies, we anticipate that the government bond share of the capital market will expand in 2012. We also anticipate that companies with high credit ratings will continue to have good access to the capital market, even if economic growth should slow.

The anticipated continued strong use of the capital markets by state-owned and supranational issuers and the resulting greater volume of debt instruments in the market should generate more attractive yields for investors. We therefore expect long-term refinancing rates to be higher than in 2011, even for bonds issued by companies with good credit ratings.

Anticipated development of important business conditions

Within the scope of transport policy and the regulatory environment, the legislative initiatives of the EU Commission relating to the fourth railway package and preparations for the Railroad Crossings Act in Germany will possibly have a noticeable impact on our business operations. Due to the current schedule, however, we do not expect any concrete measures to be implemented before the end of 2012.

Anticipated income and financial situation

The development of DB AG's business will continue to be significantly influenced in the 2012 financial year by the development of the subsidiaries and therefore also the level of investment income. One of DB Group's overarching goals is to continue the long-term improvement of earning power.

Following the positive development in the year under review, we expect investment income to rise on the basis of current estimates for the 2012 financial year. We therefore assume that the result from ordinary business activities and the net profit for the year will exceed the value in the year under review. We also expect rises in investment income, the result from ordinary business activities and the net profit for the year for the 2013 financial year.

The net capital expenditures of the subsidiaries of DB AG are expected to rise considerably in the 2012 financial year. As a result of delay effects from the year under review, this expenditure is not likely to be fully covered by internal financing in spite of the positive operating cash flow continuously expected throughout the year. Combined with DB AG's payout of a dividend to its owners for the 2011 financial year, the net financial debt of DB Group and also that of DB AG is likely to be at the same level as at the end of the year under review.

In the 2012 financial year, DB Group must redeem financial liabilities (excluding commercial paper and current bank liabilities) in the amount of approximately € 1.7 billion. We will make use of the international financial markets to refinance these liabilities.

The need for cash and cash equivalents will be offset by the issue of public and private bonds. As in previous years, we will approach our investors in Europe and Asia. Financial presentations in Europe and Asia are planned to coincide with the issue of bonds.

We still have sufficient financing scope based on our debt issuance and commercial paper programs for our capital market activities. The credit facilities which have so far not been used serve as a fallback in the case of restrictions in access to the capital market. DB Group's and DB AG's short- and medium-term liquidity supply is therefore secured in the 2012 financial year.

Opportunities report

OPPORTUNITY MANAGEMENT WITHIN DB GROUP

Our opportunity management efforts are mainly driven by the targets and strategies of our business units. Operational management personnel in the business units are primarily responsible for the early and regular identification, analysis and management of opportunities. These activities are an integral element of the Group-wide planning and controlling system. We focus intensely on detailed analyses of our markets and competitors, market scenarios, relevant cost drivers and critical factors for success, including those within our political and regulatory environment. Concrete business-unit-specific opportunities are derived from these efforts and then analyzed.

To secure our corporate strategy of profit-focused growth, we implement comprehensive packages as part of Group-wide or business-unit-specific programs which we anticipate will ensure or improve our performance quality, efficiency and cost structures. Here we also see opportunities for further organic growth which is likely to be reflected in the further improvement of our results and key financial ratios.

The strategic orientation of DB Group has proved to be successful in various economic cycles and contributed significantly to our favorable development in the year under review. The focus of our measures is always on improving our long-term competitive position, too. Overall, DB Group is well positioned to benefit from opportunities arising from significant trends in our markets. For more details, please see the chapter entitled *Corporate Strategy* [1] .

As part of DB Group's efforts to ensure it keeps its service pledge, we started a *customer and quality initiative* [2]. We expect to achieve noticeable improvements for our customers in the coming years by implementing extensive service packages. We see significant opportunities to improve customer reception.

The relevant economic environment could show better overall improvement than we expect. Any resulting deviations would then have a positive effect on the performance of the business units, in particular in the area of transport and logistics.

Despite the very intensive competitive situation in our markets, we also see market-related opportunities in actively shaping the foreseeable market consolidations, using our leading market positions to do so. We want to realize the opportunities offered by the consolidation process, in particular, and by the continuing globalization of the freight forwarding and logistics segments. In addition, with DB Arriva, we have a strong position in the European transport market, giving us a growth platform in all of our European target markets.

We have also positioned ourselves in such a way that we are well prepared to use the opportunities posed by open or opening markets in European rail freight as well as in European rail passenger transport. As a result of the sovereign debt crisis in Europe, we see opportunities in increased tender procedure activities for bus and rail transport in the countries which have tight budgets and whose governments must therefore implement austerity measures. We could benefit from this development thanks to the excellent position that our DB Arriva business unit has. In addition, there is the possibility that new markets or market segments will be opened for competition.

Favorable exchange rates and interest rate moves could have a favorable impact on our financial result. Group Treasury therefore closely follows developments in the financial markets to identify and take advantage of possible opportunities.

EMPLOYEE DEVELOPMENT

In order to increase the potential of opportunities in the future, we are implementing a responsible personnel policy that is oriented toward the employee and which forms the basis for our long-term success as an internationally leading mobility and logistics services provider. With roughly 10,400 trainees and employees in a dual study program, we are one of the largest training institutions in Germany. Vocational training is the foundation for securing young talent. By 2015, the average age of our employees will have risen from 45 to 50 years. We are responding to this trend by promoting older employees and young talent in specific employee development programs such as “50 plus” and “Chance plus.”

FORWARD-LOOKING STATEMENTS

This management report contains statements and forecasts pertaining to the future development of DB AG, DB Group, its business units and individual companies. These forecasts are estimates made based on information that was available at the current time. Actual developments and results may diverge from the current expectations due to the assumptions upon which our forecasts are based not materializing or due to the risks as presented in the risk report actually occurring.

DB AG does not assume any obligation to update the statements made within this management report.

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FINANCIAL STATEMENTS

AUDITOR'S REPORT

The annual financial statements have been audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, who added the following *auditor's report* [1]: "We have audited the annual financial statements – consisting of balance sheet, income statement and the notes – together with the accounting system, and the management report of the Deutsche Bahn Aktiengesellschaft, Berlin, for the business year from January 1 to December 31, 2011. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the company's management board. Our responsibility is to express an opinion on the annual financial statements, together with the accounting system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the management board, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the results of our audit, the annual financial statements are in compliance with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and provides on the whole a suitable understanding of the company's position and suitably presents the risks of future development."

Berlin, February 28, 2012

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Thomas Kieper	Rainer Kroker
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

#1 This English translation of the German version of the auditor's report has been prepared for purposes of convenience only: in cases of doubt the original German version shall prevail.

BALANCE SHEET

Assets

— € million	Note	Dec 31, 2011	Dec 31, 2010
A. FIXED ASSETS			
Property, plant and equipment	(2)	23	38
Financial assets	(2)	25,651	24,371
		25,674	**24,409**
B. CURRENT ASSETS			
Inventories	(3)	1	3
Receivables and other assets	(4)	3,202	3,674
Cash and cash equivalents		850	1,031
		4,053	**4,708**
C. PREPAYMENTS AND ACCRUED INCOME	(5)	0	0
		29,727	**29,117**

Equity and liabilities

— € million	Note	Dec 31, 2011	Dec 31, 2010
A. EQUITY			
Subscribed capital	(6)	2,150	2,150
Capital reserves	(7)	5,310	5,310
Retained earnings	(8)	3,563	3,563
Net retained profit	(9)	3,931	3,205
		14,954	**14,228**
B. PROVISIONS	(10)	3,084	3,402
C. LIABILITIES	(11)	11,651	11,449
D. ACCRUED AND DEFERRED INCOME	(12)	38	38
		29,727	**29,117**

STATEMENT OF INCOME

Jan 1 through Dec 31 — € million	Note	2011	2010
Inventory changes		-2	-1
Other internally produced and capitalized assets		0	0
Overall performance		**-2**	**-1**
Other operating income	(16)	1,063	1,369
Cost of materials	(17)	-48	-70
Personnel expenses	(18)	-201	-281
Depreciation		-7	-9
Other operating expenses	(19)	-781	-921
		24	**87**
Net investment income	(20)	1,267	16
Net interest income	(21)	47	20
Result from ordinary activities		**1,338**	**123**
Extraordinary expenses	(22)	-	-49
Income taxes	(23)	-112	-20
Net profit for the year		**1,226**	**54**
Profit carried forward		2,705	3,151
Net retained profit		**3,931**	**3,205**

STATEMENT OF CASH FLOWS

Jan 1 through Dec 31 — € million	Note	2011	2010
Profit before taxes		1,338	74
Depreciation on property, plant and equipment [1]		7	9
Changes to pension provisions		1	26
Cash flow before taxes		**1,346**	**109**
Changes to other provisions		-306	-326
Gains / losses from disposal of property, plant and equipment [1]		1	1
Gains / losses from disposal of financial assets		0	0
Changes to current assets (excluding cash and cash equivalents)		-1,074	606
Changes to other liabilities (excluding financial debt)		-180	138
Taxes on income		-112	-20
Cash flow from operating activities		**-325**	**508**
Proceeds from the gains of property, plant and equipment [1]		1	-1
Payments for purchases of property, plant and equipment [1]		-8	-13
Proceeds from the disposal of financial assets		32	2
Payments for the purchase of financial assets		-33	-17
Cash flow from investing activities		**-8**	**-29**
Distribution of profit to shareholder		-500	0
Proceeds / payments from the long-term Group financing		-297	357
Proceeds / payments from the short-term Group financing		831	-1,106
Proceeds from borrowings, bonds and commercial paper		164	42
Payments for the redemption of borrowings, bonds and commercial paper		-46	0
Cash flow from financing activities		**152**	**-707**
Net change in cash and cash equivalents		**-181**	**-228**
Cash and cash equivalents at the beginning of the year	(24)	1,031	1,259
Cash and cash equivalents at the end of the year	**(24)**	**850**	**1,031**

[1] Including intangible assets.

FIXED ASSETS SCHEDULE

	ACQUISITION AND MANUFACTURING COSTS					DEPRECIATION					BOOK VALUE	
— € million	As of Jan 1, 2011	Additions	Transfers	Disposals	**As of Dec 31, 2011**	As of Jan 1, 2011	Depreciation 2011 financial year	Transfers	Disposals	**As of Dec 31, 2011**	**As of Dec 31, 2011**	As of Dec 31, 2010
PROPERTY, PLANT AND EQUIPMENT												
1. Land, leasehold rights and buildings including buildings on land built by others												
a) Land and leasehold rights	3	0	0	0	**3**	0	0	0	0	**0**	**3**	3
b) Commercial, official and other buildings	1	0	0	-1	**0**	-1	0	0	1	**0**	**0**	0
	4	**0**	**0**	**-1**	**3**	**-1**	**0**	**0**	**1**	**0**	**3**	**3**
2. Track infrastructure, signaling and control equipment	0	0	0	0	**0**	0	0	0	0	**0**	**0**	0
3. Rolling stock for passenger and freight transport	2	0	0	-2	**0**	-2	0	0	2	**0**	**0**	0
4. Technical equipment and machinery and other than Nos. 2 and 3	24	1	1	-24	**2**	-17	0	0	16	**-1**	**1**	7
5. Other equipment, operating and office equipment	54	6	7	-27	**40**	-37	-7	0	23	**-21**	**19**	17
6. Advance payments and construction in progress	11	1	-8	-4	**0**	0	0	0	0	**0**	**0**	11
	95	**8**	**0**	**-58**	**45**	**-57**	**-7**	**0**	**42**	**-22**	**23**	**38**
FINANCIAL ASSETS												
1. Investment in affiliated companies	13,750	48	0	-32	**13,766**	0	0	0	0	**0**	**13,766**	13,750
2. Loans to affiliated companies	10,579	1,572	0	-308	**11,843**	0	0	0	0	**0**	**11,843**	10,579
3. Investments in associated companies	42	0	0	0	**42**	0	0	0	0	**0**	**42**	42
4. Other loans	0	0	0	0	**0**	0	0	0	0	**0**	**0**	0
	24,371	**1,620**	**0**	**-340**	**25,651**	**0**	**0**	**0**	**0**	**0**	**25,651**	**24,371**
Total fixed assets	**24,466**	**1,628**	**0**	**-398**	**25,696**	**-57**	**-7**	**0**	**42**	**-22**	**25,674**	**24,409**

NOTES TO THE FINANCIAL STATEMENTS

The annual financial statements of Deutsche Bahn AG (DB AG) have been prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch; HGB) and the German Stock Corporation Act (Aktiengesetz; AktG) in the currently valid version as well as the ordinance relating to the structure of the financial statements of transportation companies. The balance sheet and the income statement items required by law have been combined to improve the overall clarity of presentation. The notes to the financial statements contain the necessary details and explanations.

(1) BASIC PRINCIPLES AND METHODS

The accounting and valuation methods are unchanged compared with the previous year.

For the purpose of providing greater depth of information and in line with the reporting in the consolidated financial statements of DB AG, the information relating to the items in the income statement “other operating income,” “cost of materials” and “other operating expenses” has been restructured. If the figures are no longer comparable with the previous year, the previous year figures have been adjusted.

DB Systemtechnik GmbH was spun off as of January 1, 2011. Fixed assets with a remaining carrying amount of € 14 million and provisions of € 13 million were transferred. The annual financial statements 2011 of DB AG are not comparable, or are only comparable to a limited extent, with the previous year with regard to the above-mentioned items of the balance sheet and also with regard to the income statement.

Property, plant and equipment is stated at acquisition or manufacturing costs less scheduled depreciation if subject to wear and tear.

Fair value impairments are similarly recognized where applicable.

Production cost comprises individual costs as well as cost of materials, production overheads and depreciation. Overheads and depreciation are calculated on the basis of the costs incurred by normal employment conditions and under economic conditions. Neither interest on borrowed funds nor administrative overhead is included in production cost.

Depreciation is recognized on a straight-line basis, and reflects the normal useful life. Depreciation is normally calculated in accordance with the tax depreciation tables and taken on a pro rata basis.

The useful lives of the main groups are set out in the following table:

	Years
Commercial, operating and other buildings	5-50
Track infrastructure	20-25
Superstructures and other constructions	10-50
Signaling equipment	20
Telecommunications equipment	5-20
Rolling stock	10-30
Machines and machinery equipment	8-15
Technical equipment, machinery and vehicles	5-25
Operating and business equipment	2-20

Low-value assets with individual values of less than € 2,000 are expensed in full in the year of acquisition and shown as disposals.

Financial assets are shown with their cost of purchase, where necessary after recognizing impairments to reduce the carrying amount down to the lower fair value in the event of any reduction in value which is probably of a permanent or temporary nature.

Inventories are stated at acquisition or production cost; the average method is mainly applied when valuing raw materials and supplies (please refer to the description of fixed assets for the components of production cost).

Value adjustments are recognized to take account of inventory risks arising from a decline in economic usefulness, long storage periods, price changes in the market or any other decline in value.

Accounts receivable and other assets are stated at cost, unless a lower carrying amount is required in individual cases. Individual and global individual allowances have been taken to cover identifiable insolvency- and rating-related risks. General valuation adjustments are formed at 1% of the net amount receivable.

In accordance with Section 246 (2) Clause 2 HGB, assets which are not available to any creditors and which serve exclusively to fulfill liabilities arising from retirement benefit obligations or equivalent obligations due in the long term have to be netted with these liabilities.

This netting requirement is also applicable for corresponding costs and income resulting from compounding or discounting the liabilities and also from the valuation of these assets. In accordance with Section 253 (1) Clause 4 HGB, the assets used for netting purposes are measured completely at fair value on the basis of market values applicable on the balance sheet date. Section 253 (1) Clause 3 HGB is relevant for the obligations associated with the assets.

At DB AG, plan assets which are used to fulfill liabilities arising from retirement benefit obligations are netted with the corresponding pension obligation. The corresponding costs and income resulting from the compounding or discounting of pension obligations and also resulting from the valuation of the cover funds are also netted. Pension obligations are shown with the value of the guaranteed minimum obligation.

The income from valuing the cover funds at fair value is not permitted to be paid out in the form of dividends. However, in accordance with Section 268 (8) HGB, the fact that adequate freely disposable reserves and profits carried forward are available mean that no restriction has been imposed with regard to the payment of a dividend.

DB AG has long-term obligations arising from credit balances for long-term accounts. In accordance with Section 246 (2) Clause 2 HGB, these are netted with the investments managed by the trustee who has been engaged. Because there is always a corresponding development in the value of provisions and cover assets, no income which is subject to a restriction in terms of a dividend distribution has arisen.

Cash in hand and cash at banks are measured at cost of purchase, unless a lower figure has to be shown in individual cases.

Pension provisions are measured using the projected unit credit (PUC) method taking account of future developments and the application of the general average market rate of the Deutsche Bundesbank for residual terms of 15 years (simplification rule). The 2005 G mortality tables of Prof. Dr. Klaus Heubeck have been applied for measuring the pension obligations.

The main actuarial parameters are set out in the following table:

— %	Dec 31, 2011
Discount rate	5.13
Expected wage and salary development	2.50
Expected pension development	2.00
Average expected fluctuation	2.67

The provisions for early retirement, semi-retirement, service anniversary and death benefit obligations are measured in accordance with actuarial calculation methods (PUC method) as well as fundamental assumptions of the calculation in line with the 2005 G mortality tables of Prof. Dr. Klaus Heubeck. Matching maturity average market rates of the past seven financial years of 4.00 % (early retirement and semi-retirement) and 4.50 % (service anniversaries, death benefits and indirect retirement benefits) have been used.

The provisions take account of all identifiable risks which have to be recognized in the balance sheet. If costs represent probable liabilities due to third parties, although the timing of their occurrence is uncertain, they are shown under other provisions.

Other provisions are measured as the settlement amount necessary in the opinion of a prudent businessman. Future price and cost increases are taken into consideration in the process of determining the provisions. The remaining provisions are determined at full cost. Provisions for pending claims and litigation are not normally recognized unless the probability of occurrence exceeds 50 %.

Provisions with a remaining term of more than one year are discounted using the matching maturity average market rate of the past seven financial years of the Deutsche Bundesbank.

Liabilities are shown in their settlement amount.

DB AG has exercised the option set out in Section 274 (1) Clause 2 HGB and has not capitalized any deferred taxes.

Foreign currency receivables and liabilities, cash at banks and liabilities due to banks with remaining terms of less than one year as well as cash in hand in foreign currency are translated using the spot mid-rate applicable on the balance sheet date.

Assets, liabilities, pending transactions or transactions which are extremely likely to take place (underlyings) are combined with derivative financial instruments to form valuation units in order to compensate for opposite changes in value or cash flows arising from the occurrence of equivalent risks under the appropriate conditions. Derivative financial instruments are only permitted to be used in conjunction with an underlying (micro and portfolio hedges). The derivatives allocated to the underlyings are not shown in the balance sheet (net hedge presentation method). Accordingly, Sections 249 (1), 252 (1) Nos. 3 and 4 and 256a HGB are not applied.

The fair value of financial instruments which are traded in an active market is derived from the market price applicable on the balance sheet reporting date.

In order to calculate the fair value of financial instruments which are not traded on an active market, common measurement methods such as option price or present value models are applied and assumptions which were appropriate as a result of the market conditions on the balance sheet date are made. If valuation-relevant parameters are not directly observable on the market, forecasts are used based on comparable financial instruments which are traded in an active market; these forecasts are then adjusted by premiums or discounts on the basis of historical data. The mean value of bid and offer rates are used.

The activity of the assigned civil servants in Deutsche Bahn Group (DB Group) is based on a statutory assignment under the terms of the Rail Restructuring Act (Eisenbahnneuordnungsgesetz; ENeuOG), Art. 2 Section 12. For the work of the assigned civil servants, DB AG reimburses to the Federal Railroad Fund (Bundeseisenbahnvermögen; BEV) those costs which would be incurred if a person subject to collective bargaining agreements were to be employed as an employee instead of the assigned civil servants (pro forma settlement). Consequently, the personnel expenses reimbursed to the BEV for the assigned civil servants are shown under personnel expenses due to the economic approach.

Contrary to the structure of the income statement prescribed in Section 275 (2) HGB, the other taxes are not shown under the specified item no. 19 because the taxes involved relate to costs. These are shown under other operating expenses.

Notes to the balance sheet

(2) PROPERTY, PLANT AND EQUIPMENT

The development of property, plant and equipment is shown on page 55 in the fixed assets schedule.

(3) INVENTORIES

— € million	Dec 31, 2011	Dec 31, 2010
Raw materials and supplies	0	0
Unfinished products, unfinished services	1	3
Total	**1**	**3**

(4) RECEIVABLES AND OTHER ASSETS

— € million	Dec 31, 2011	Thereof with a remaining term of more than 1 year	Dec 31, 2010
Trade receivables	3	–	6
Receivables from affiliated companies	3,121	–	3,581
Accounts due from other Group companies	0	–	0
Other assets	78	1	87
Total	**3,202**	**1**	**3,674**

The impairments recognized in relation to receivables and other assets amounted to € 1 million (previous year: € 4 million).

The receivables from affiliated companies comprise receivables from cash pooling (€ 1,214 million; previous year: € 2,762 million), from financing (profit transfers, short-term loans and interest; a total of € 1,542 million; previous year: € 385 million), from single entity deemed to exist for VAT purposes (€ 229 million; previous year: € 266 million) as well as trade receivables (€ 136 million; previous year: € 168 million).

The other assets mainly comprise receivables due from the fiscal authorities as well as creditors with a debit balance and interest accruals.

(5) PREPAYMENTS AND ACCRUED INCOME

This item mainly comprises the advance payment of the premium to the railway accident fund (Eisenbahnunfallkasse).

(6) SUBSCRIBED CAPITAL

The subscribed capital of DB AG is € 2,150 million. It consists of 430,000,000 no-par value bearer shares. All shares are held by the Federal Republic of Germany.

(7) CAPITAL RESERVES

The capital reserves amount unchanged to € 5,310 million.

(8) RETAINED EARNINGS

The other retained earnings in accordance with Section 266 (3) HGB amounted to € 3,563 million (previous year: € 3,563 million).

(9) NET RETAINED PROFIT

In 2011, a dividend of € 500 million was paid out of the net retained profit of the previous year (€ 3,205 million). The figure of € 3,931 million shown for net retained profit as of December 31, 2011 includes retained profit brought forward of € 2,705 million.

(10) PROVISIONS

— € million	Dec 31, 2011	Dec 31, 2010
Provisions for pensions and similar obligations	166	170
Tax provisions	100	242
Other provisions	2,818	2,990
Total	**3,084**	**3,402**

In the year under review € 6 million were added to the provisions for pensions and similar obligations (previous year: € 50 million).

The similar obligations include provisions for deferred compensation of € 18 million (previous year: € 18 million).

Other provisions are broken down as follows:

— € million	Dec 31, 2011	Dec 31, 2010
Personnel obligations	59	72
Restructuring measures	455	564
Ecological legacy issues	1,426	1,481
Return obligations	146	156
Provisions from the Aurelis agreement	121	181
Other risks	611	536
Total	**2,818**	**2,990**

The personnel obligations mainly comprise bonuses, indirect retirement benefit obligations as well as semi-retirement obligations.

Provisions for restructuring measures relate to an obligation to absorb losses with regard to DB JobService GmbH.

The provisions for ecological legacy issues mainly relate to the rehabilitation of the ecological legacy issues which arose before July 1, 1990 on the territory of the former German Reichsbahn. A provision of € 2.9 billion had already been created in the opening balance sheet of Deutsche Reichsbahn, and was transferred unchanged to the opening balance sheet of DB AG.

Provisions for potential return obligations have been created for risks arising from restitution claims for land in the territory of the former Deutsche Reichsbahn.

The other risks combine all other uncertain liabilities. They mainly comprise provisions for:

- Recultivation and decommissioning measures (shutting down installations)
- Obligations arising from the implementation of the property reallocation process
- Uncertain liabilities arising from deliveries and services which have not yet been billed
- The legal requirement to archive business documents for the main Group companies (archiving costs)
- Litigation risks

The cover funds which exist in connection with pension provisions and obligations which are similar to pensions (€ 29 million) are netted with the corresponding obligations (€ 40 million). The fair value and the purchase costs of the cover funds amount to € 29 million in each case.

The trust assets in connection with credit balances of long-term accounts (€ 1 million) are netted with the corresponding provision (€ 1 million).

(11) LIABILITIES

— € million	Dec 31, 2011	Thereof with a remaining term of: up to 1 year	1 to 5 years	more than 5 years	Dec 31, 2010
Bonds	21	21	–	–	67
Liabilities due to banks	4	4	–	–	–
Trade payables	21	21	–	–	20
Accounts due to affiliated companies	10,099	1,362	2,091	6,646	10,036
Accounts due to other Group companies	1,165	445	520	200	1,164
Other liabilities	341	341	0	0	162
thereof for taxes	8	8	–	–	17
thereof for social security	0	0	–	–	0
Total	**11,651**	**2,194**	**2,611**	**6,846**	**11,449**
thereof interest-bearing	10,792				10,586

The accounts due to affiliated companies comprise loans due to Deutsche Bahn Finance B.V. (DB Finance), Amsterdam/the Netherlands (€ 9,363 million; previous year: € 8,352 million), liabilities under cash pooling (€ 248 million; previous year: € 943 million), financing (profit transfers, further loans and interest; a total of € 237 million; previous year: € 415 million), a single entity deemed to exist for VAT purposes (€ 194 million; previous year: € 178 million) as well as trade payables (€ 57 million; previous year: € 148 million).

The accounts due to other Group companies include long-term interest-bearing loans of EUROFIMA European Company for the Financing of Railroad Rolling Stock, Basel/Switzerland (€ 1,153 million; previous year: € 1,153 million). Due to statutory reasons of EUROFIMA, these loans have to be secured by way of transfer of ownership of rolling stock. This has been achieved by transferring ownership of rolling stock of the subsidiaries DB Fernverkehr AG, DB Regio AG and DB Schenker Rail Deutschland AG.

Other liabilities are not secured.

A summary of the financial debt and further related explanations are set out on note (15).

(12) ACCRUED AND DEFERRED INCOME

This item mainly comprises revenue deferrals from ground leases, building cost grants and compensation payments in connection with the extension of rental agreements.

(13) CONTINGENCIES

— € million	Dec 31, 2011	Dec 31, 2010
Warranty and guarantee obligations	5,557	4,477
thereof with regard to affiliated companies	5,531	4,455

DB AG has provided an unconditional and irrevocable guarantee for a multi-currency commercial paper program which was issued with DB Finance; this guarantee was stated as € 202 million as of December 31, 2011 (as of December 31, 2010: € 42 million). In addition, DB AG has provided a guarantee to DB Finance for DB Mobility Logistics AG (DB ML AG) with regard to the repayment of loans totaling € 3,000 million.

It was not necessary for the obligations taken on for the benefit of affiliated companies in relation to guarantee agreements with regard to third parties to be recognized because it is probable that the underlying liabilities can be fulfilled by the affiliated companies, and a claim is therefore not likely.

(14) OTHER FINANCIAL OBLIGATIONS

— € million	Dec 31, 2011	Dec 31, 2010
Ordering commitment for capital expenditures	12	3
Outstanding contributions	387	376
Obligations arising from rental agreements, leasing agreements and other third-party liabilities	1,990	1,836
thereof due to affiliated companies	110	125
Total	**2,389**	**2,215**

The outstanding contributions relate to EUROFIMA.

The obligations arising from rental agreements, leasing agreements and other third-party liabilities are recognized with their nominal values. The following two tables show a list of nominal and present values for these obligations (as of December 31, 2011), broken down according to maturity:

— € million	Nominal value	Present value
Leasing installments		
due in less than 1 year	48	47
due between 1 and 5 years	125	111
due in more than 5 years	–	–
Total	**173**	**158**

In total, leasing installments of € 47 million were paid in the 2011 financial year (previous year: € 60 million).

— € million	Nominal value	Present value
Rental agreements and other third-party liabilities		
due in less than 1 year	214	210
due between 1 and 5 years	748	662
due in more than 5 years	855	591
Total	**1,817**	**1,463**

(15) FINANCIAL INSTRUMENTS

In its capacity as the Treasury Center of DB Group, DB AG is responsible for all financing and hedging transactions. In the work process organization, there is a clear functional and organizational segregation between scheduling and trading on the one hand (front office) as well as settlement and monitoring on the other (back office). The Treasury Center operates on the financial markets using the minimum requirements applicable for risk management (Mindestanforderungen an das Risikomanagement; MaRisk) of the banks prepared by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht; BaFin), and is subject to regular internal and external control.

A. Non-derivative financial instruments

As of December 31, 2011, DB Finance had extended loans totaling € 9,363 million to DB AG. The loans were refinanced by way of bond issues with a guarantee of DB AG.

The following bonds were repaid in 2011: an unlisted bond of DB AG (JPY 5,000 million) as well as four listed bonds of DB Finance for amounts of CHF 300 million (€ 197 million), USD 800 million (€ 678 million), € 400 million (€ 316 million) and USD 250 million (€ 209 million). Of these figures, DB AG in previous years accounted for loans of CHF 300 million and USD 1,020 million. All loans of DB AG which fell due in 2011 were repaid to DB Finance.

DB Finance issued nine new bonds in the year under review. These are three unlisted bonds of € 92 million, € 50 million and € 10 million as well as six listed bonds of € 700 million, € 500 million, CHF 375 million (€ 323 million), NOK 1,250 million (€ 160 million), HKD 836 million (€ 78 million) and USD 200 million (€ 146 million). Apart from an amount of HKD 350 million, the raised funds were forwarded in the form of loans to DB AG.

There are also long-term interest-bearing loans of EUROFIMA of € 1,153 million (previous year: € 1,153 million).

As of December 31, 2011, guaranteed credit facilities with a total volume of € 2,505 million (previous year: € 2,500 million) were available to DB AG as backup lines for the € 2 billion commercial paper program of DB AG and DB Finance. None of the backup lines had been drawn down as of December 31, 2011.

B. Derivative financial instruments

Derivative financial instruments are used for hedging interest, currency and energy price risks. All individual transactions correspond to on-balance-sheet or anticipated underlyings (for instance bonds, commercial paper or planned electricity demand). Transactions for speculation purposes are not permitted. Internal guidelines are used to govern the use, processing and control of derivative financial transactions. Ongoing market and risk assessment takes place as part of risk management. Valuation units are always created if the relevant criteria are satisfied.

All hedging requirement within DB Group is handled via DB AG, which is responsible for arranging external cover. A distinction is therefore made between transactions of DB AG with external counterparties (banks) and the process of forwarding such external transactions within DB Group (mirror transactions).

Interest swaps and interest caps are taken out in order to hedge interest rate risks. At the end of the year, DB AG had only one transaction with a comparatively low volume (€ 60 million).

The foreign currency risks are attributable to financing measures and operating activities. Currency swaps/forwards are concluded in order to limit the risks arising from exchange rate fluctuations for future payments in foreign currency. Holdings of currency swaps/forwards increased as a result of the temporary short-term financing of a subsidiary in Great Britain. Because DB Group's operations are also refinanced in currencies outside the Eurozone, these positions were translated directly into euro liabilities with the aid of cross-currency swaps in order to eliminate exchange rate risks. Internal foreign currency loans which DB AG hedges externally were also extended within DB Group. In 2011, the volume of cross-currency swaps increased slightly as a result of a rise in the volume of this foreign currency lending, which more than compensated for the effect of the repayment of foreign currency bonds.

Energy price risks arise mainly in conjunction with purchases of diesel fuel and power sourcing agreements linked to the price of coal and heating oil. The volume of diesel and coal derivatives increased considerably as a result of higher hedging requirements. The volume of heating oil derivatives was virtually unchanged compared with the previous year.

The nominal volume of the hedges detailed in the following is the sum of all purchase and sale amounts underlying the transactions. In the case of transactions based on diesel, coal or heating oil, the relevant tonnage is specified. The extent of the nominal volume permits conclusions to be drawn with regard to the extent of the use of derivative financial instruments, but does not reflect the risk arising from the use of derivatives.

The market value of a financial derivative is equivalent to the price for reversing or replacing the transaction. Present-value models or Monte Carlo simulations in conjunction with appropriate interest rate structure curves are used for determining the value of the derivatives. The market data to be used for this purpose are taken from market information systems such as Reuters or Bloomberg. Opposite developments in value of the corresponding underlyings are not taken into consideration. On the other hand, the corresponding derivatives are not recognized in the process of accounting for the underlyings (no hedge accounting).

Credit risk is defined as potential loss of assets resulting from the non-fulfillment of contract partners ("default risk"). It is defined as the replacement costs (market values) of the transactions in which we have claims against our contract partners. The default risk is actively managed by way of strict requirements relating to the creditworthiness of the counterparty at the point at which the transactions are concluded and also throughout the entire life of the transactions, and also by way of defining risk limits.

The following credit risk figures reflect the simple sum of all individual risks, and relate to external counterparties.

Nominal and market values of interest rate swaps and cross-currency swaps:

— € million	Dec 31, 2011	Dec 31, 2010
Nominal volume with external parties	3,675	3,448
Market value of derivatives (external)	129	78
Nominal volume of mirror transactions	1,154	613
Market value of derivatives (mirror transactions)	51	27

On December 31, 2011, the portfolio of cross-currency swaps consisted mainly of instruments with a remaining term of more than one year. The underlyings are included in the balance sheet items "Loans to affiliated companies," "Bonds" and "Liabilities due to affiliated companies." The maximum term is ten years. The positive development in the values of the cross-currency swaps with external parties is due mainly to the fact that the euro has lost ground against the Japanese yen. It was not necessary for a provision to be created for potential losses because the unrealized losses resulting from the valuation units which have been created are opposed by corresponding unrealized profits from the underlyings. These hedges exist in the form of micro hedges, and the maturities of the underlying and hedges are identical. The hedged exchange rate risks are fully compensated.

Nominal and market value of the currency swaps/forwards:

— € million	Dec 31, 2011	Dec 31, 2010
Nominal volume with external parties	2,418	1,763
thereof currency swaps	1,954	1,252
thereof currency forwards	564	511
Market value of derivatives (external)	5	-4
thereof currency swaps	7	-2
thereof currency forwards	-2	-2
Nominal volume of mirror transactions	2,115	1,411
Market value of derivatives (mirror transactions)	-2	1

The volume of currency hedging contracts in the portfolio as of December 31, 2011 mainly comprised currency forwards with a remaining term of less than one year. The underlyings are included in the balance sheet items "Receivables from affiliated companies" and "Liabilities due to affiliated companies." The maximum term is four years. Most of the transactions with external counterparties have been transmitted to DB ML. The development in value has been mainly attributable to hedges in the currencies sterling, Swedish krona, US dollar, Singapore dollar, Polish zloty and the increased volume of business. These hedges exist in the form of micro hedges, and the maturities of the underlying and hedges are identical. The hedged exchange rate risks are fully compensated.

Nominal and market value of energy derivatives:

Diesel fuel — t	Dec 31, 2011	Dec 31, 2010
Nominal volume with external parties	1,205,000	589,000
Market value of derivatives (external)	49	39
Nominal volume of mirror transactions	1,205,000	589,000
Market value of derivatives (mirror transactions)	-49	-39

Gas, heating oil — t	Dec 31, 2011	Dec 31, 2010
Nominal volume with external parties	187,000	173,000
Market value of derivatives (external)	9	2
Nominal volume of mirror transactions	187,000	173,000
Market value of derivatives (mirror transactions)	-9	-2

Coal, BAFA — t coal equivalent	Dec 31, 2011	Dec 31, 2010
Nominal volume with external parties	1,660,000	949,000
Market value of derivatives (external)	-1	-10
Nominal volume of mirror transactions	1,660,000	949,000
Market value of derivatives (mirror transactions)	1	10

As of December 31, 2011, the portfolio of energy price hedges comprised hedges with a term of less than one year as well as hedges with longer terms. The maximum term is five years. The transactions have been transmitted to DB Energie GmbH, or forwarded directly to subsidiaries of DB ML (mainly in the DB Arriva segment). The development in value of the external energy derivatives is mainly based on the prices on the energy markets which have increased in the course of the year under review. These hedges exist in the form of micro hedges, and the underlyings and hedges are identical. The hedged risks are fully compensated.

In the case of interest and interest-currency hedges, the effectiveness of the hedge is assessed prospectively using the critical terms match method. This method is used because the major valuation parameters of the underlying and hedges are identical. The retrospective effectiveness measurement is carried out as of every balance sheet date by means of the hypothetical derivative method. In this method, the development in value of the hedge which is actually taken out is compared with the development in value of a theoretical hedge in which all valuation-relevant parameters are identical to those of the underlying.

In the case of energy price derivatives, the effectiveness of the hedge is assessed prospectively using the linear regression. The effectiveness is measured retrospectively as of each balance sheet date by means of a linear regression of the cash flows realized from underlyings and hedges.

Credit risk of interest, currency and energy derivatives with external parties:

— € million	Dec 31, 2011	Dec 31, 2010
Credit risk of interest, currency and energy derivatives	357	273

The increase in credit risks compared with the previous year is mainly due to the development in the value of the cross-currency swaps. The largest individual risk – default risk in relation to individual contract partners – is € 129 million, and exists in relation to one contract partner with a Moody's rating of Aa3. For transactions with terms of more than one year, all contract partners which are exposed to a credit risk have a Moody's rating of at least Baa1.

Notes to the income statement

(16) OTHER OPERATING INCOME

€ million	2011	2010
Services for third parties and material sales	316	454
thereof sales of material and energy	0	0
thereof other services for third-parties	316	454
Income from leasing and rental operations	291	279
Income from claims for damages and cost refunds	4	3
Income from creating fixed assets	11	20
Income from government grants	4	5
Income from the disposal of property, plant and equipment and intangible assets	0	0
Income from the disposal of financial assets	0	0
Income from the reversal of provisions (including other taxes)	316	385
Income from the reversal of impairments recognized in relation to receivables and payments received in relation to previously derecognized receivables	1	1
Currency gains	10	25
Other income	110	197
thereof income from third-party charges	0	0
thereof income from the rehabilitation of ecological legacy issues	14	14
thereof miscellaneous other income	96	183
Total	**1,063**	**1,369**
thereof attributable to other periods	317	386

The income from the reversal of provisions mainly relates to the provision for restructuring measures and the provision arising from the Aurelis agreement as well as tax provisions.

The income attributable to other periods mainly comprises the income from the reversal of provisions.

(17) COST OF MATERIALS

€ million	2011	2010
Cost of raw materials and supplies and purchased products	6	6
thereof costs of energy	7	7
thereof other consumables and purchased products	1	1
thereof price adjustments and allowances for material	-2	-2
Costs of purchased services	31	37
thereof cleaning, security, disposal, winter service	9	10
thereof costs in connection with utilization of infrastructure	0	1
thereof other purchased services	22	26
Costs of maintenance and production	11	27
Total	**48**	**70**

The deliveries and services purchased for self-created installations are included in cost of materials. Items capitalized in fixed assets are recognized via other capitalized own work.

(18) PERSONNEL EXPENSES

€ million	2011	2010
WAGES AND SALARIES		
for employees	156	214
for assigned civil servants		
Payment to the BEV in accordance with Art. 2 Section 21 (1) and (2) ENeuOG	12	20
Directly paid ancillary compensation	1	1
Total	**169**	**235**
SOCIAL SECURITY, PENSION AND OTHER BENEFIT COSTS		
for employees	29	42
for assigned civil servants		
Payment to the BEV in accordance with Art. 2 Section 21 (1) and (2) ENeuOG	3	4
Total	**32**	**46**
thereof for pensions	11	12
Total	**201**	**281**

[1] Also includes benefit payments, for instance to former employees or their surviving dependants.

(19) OTHER OPERATING EXPENSES

— € million	2011	2010
Costs of leasing and rental arrangements	280	283
Legal, consultancy and auditing fees	18	21
Fees and contributions	10	10
Costs of insurance	45	44
Costs of advertising and sales promotion	2	7
Costs of printed matter and stationery	2	3
Traveling and entertainment expenses	10	12
Research and development costs	0	0
Other purchased services	295	311
thereof purchased IT services	31	40
thereof other communication services	1	4
thereof other services	263	267
Costs of claims for damages	1	2
Impairments recognized in relation to receivables and other assets	0	1
Losses from the disposal of property, plant and equipment and intangible assets	1	1
Other operating taxes	1	5
Other costs	116	221
thereof other personnel-related expenses	11	11
thereof exchange rate losses	14	11
thereof miscellaneous other expenses	91	199
Total	**781**	**921**
thereof attributable to other periods	1	2

(20) INVESTMENT INCOME

— € million	2011	2010
Income from investments	29	0
thereof from affiliated companies	29	–
Income from associated companies	0	0
Income from profit transfer agreements	1,322	203
Expenses from loss absorption	– 84	– 187
Total	**1,267**	**16**

(21) NET INTEREST INCOME

— € million	2011	2010
Income from other long-term securities and loans	499	452
Thereof from affiliated companies	499	452
Other interest and similar income	74	57
thereof from affiliated companies	54	31
Interest and similar expenses	– 526	– 489
thereof to affiliated companies	– 350	– 359
thereof from the compounding of provisions	– 65	– 60
thereof net interest from asset netting	– 1	0
thereof income from cover funds	1	1
thereof costs of compounding of corresponding provisions	– 2	– 1
Total	**47**	**20**

(22) EXCEPTIONAL EXPENSES

The exceptional expenses of the previous year (€ 49 million) related to the differences attributable to the change in valuation method for retirement benefit obligations which took place as a result of the initial adoption of the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz; BilMoG) as of January 1, 2010 (€ 44 million) and also other provisions (€ 5 million).

(23) TAXES ON INCOME

The taxes on income include an amount of € 112 million for expenses attributable to other periods.

Notes to the cash flow statement

The structure of the cash flow statement is consistent with the German Accounting Standard No. 2 (DRS 2) Cash Flow Statements developed by the German Standardization Council of the German Accounting Standards Committee e.V. (Deutsches Rechnungslegungs Standards Committee e.V. (DRSC)).

The cash flow statement is broken down into cash flows from operating activities, cash flows from investing activities and cash flows from financing activities. The cash flows from operating activities also include the cash flows before taxes.

(24) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the cash and cash equivalents shown in the balance sheet (cash in hand, cash at banks and checks).

Other disclosures

(25) SHAREHOLDINGS

The complete list of shareholdings is enclosed on the pages 70 to 85.

(26) EMPLOYEES

— Full-time employees (FTE)	2011 Annual average	2011 At year end	2010 Annual average	2010 At year end
Employees	2,026	2,071	3,028	2,979
Assigned civil servants	220	208	458	438
Subtotal	**2,246**	**2,279**	**3,486**	**3,417**
Trainees/apprentices	1	2	9	10
Total	**2,247**	**2,281**	**3,495**	**3,427**

In order to improve comparability, the number of employees within the DB Group is expressed in full-time equivalents. Figures for part-time employees are converted into full-time employees using the ratio between their actual annual working hours and the collectively agreed annual working hours.

In the year under review, there has been a statistical effect resulting from the definition of working hours used within the framework of the collective bargaining agreements. This has resulted in standard working hours being reduced by one hour to 39 hours per week, and the figure thus again reflects the actual number of hours worked per week. This has meant that, starting March 1, 2011, the number of employees in the affected areas has theoretically been increased by around 2.5 % and that compensation has simultaneously increased by 2.5 %. Adjusted by this effect, a reduction of 1,204 employees would have been reported as of December 31, 2011 compared with December 31, 2010 (–35.1 %).

The civil servants employed at DB AG were generally assigned to the company at the point at which the company was registered in accordance with Art. 2 Section 12 ENeuOG ("assigned civil servants"). They work for DB AG, and their employer is the Federal Railroad Fund.

(27) MEMBERS AND REMUNERATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

— € thousand	2011	2010
Total remuneration of the Management Board	7,933	9,616
thereof fixed content	3,135	3,322
thereof profit-linked content	4,798	6,294
Remuneration of former members of the Management Board [1]	3,246	4,166
Pension provisions for former members of the Management Board	52,977	52,501
Total remuneration of the Supervisory Board	910	689

[1] Includes severance payments and ancillary remuneration of € 0 thousand (previous year: € 1,850 thousand).

The following persons served on the Management Board in the 2011 financial year:

::: Dr. Rüdiger Grube

Chief Executive Officer and Chairman of the Management Board,
Chief Executive Officer and Chairman of the Management Board of DB Mobility Logistics AG,
Gechingen

a) DB Netz AG [1] (Chairman)
DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn
DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn

b) Arriva Plc, Sunderland / Great Britain [1] (Board of Directors)
Deutsche Bank AG (Advisory Board operating region Stuttgart)

::: Gerd Becht

Compliance, Privacy, Legal Affairs and Group Security,
Member of the Management Board of DB Mobility Logistics AG,
Bad Homburg

a) DB Schenker Rail Deutschland AG [1]
Schenker AG [1]
DB International GmbH [1]
DB Regio AG [1]
DB Sicherheit GmbH [1]
DEVK Rückversicherungs- und Beteiligungs-Aktiengesellschaft

b) DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn (Advisory Board)

::: Dr. Volker Kefer

Rail Technology and Services,
Infrastructure,
Member of the Management Board of DB Mobility Logistics AG,
Erlangen

a) DB Energie GmbH [1] (Chairman)
DB International GmbH [1] (Chairman)
DB ProjektBau GmbH [1] (Chairman)
DB Station & Service AG [1] (Chairman)
DB Systemtechnik GmbH [1]

b) DB Dienstleistungen GmbH [1] (Advisory Board, Chairman)
DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn (Advisory Board)

::: Dr. Richard Lutz

Chief Financial Officer,
Member of the Management Board of DB Mobility Logistics AG,
Hoppegarten (Mark)

a) DB Netz AG [1]

b) Arriva Plc, Sunderland / Great Britain [1] (Board of Directors)

::: Ulrich Weber

Personnel,
Member of the Management Board of DB Mobility Logistics AG,
Krefeld

a) DB Regio AG [1]
DB Schenker Rail Deutschland AG [1]
Schenker AG [1]
DB Gastronomie GmbH [1] (Chairman)
DB JobService GmbH [1] (Chairman)
DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn
DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn
HDI-Gerling Industrie Versicherung AG
HDI-Gerling Sach Serviceholding AG

b) DB Dienstleistungen GmbH [1] (Advisory Board)
DB Zeitarbeit GmbH [1] (Advisory Board, Chairman)

The following persons served on the Supervisory Board in the 2011 financial year:

::: Prof. Dr. Dr. Utz-Hellmuth Felcht
Chairman of the Supervisory Board,
Partner One Equity Partners Europe GmbH,
Munich
a) DB Mobility Logistics AG (Chairman)
b) CRH plc, Dublin/Ireland
Jungbunzlauer Holding AG, Basel/Switzerland (Administrative Board)

::: Alexander Kirchner*
Deputy Chairman of the Supervisory Board,
Chairman of the Railway and Transport Workers Union (EVG),
Runkel
a) DB Mobility Logistics AG
DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn (Chairman)
DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn (Chairman)
DEVK Rückversicherungs- und Beteiligungs-Aktiengesellschaft (Chairman)

::: Dr. Hans Bernhard Beus
State Secretary in the Federal Ministry of Finance,
Berlin
a) DB Mobility Logistics AG
Deutsche Telekom AG
b) KfW IPEX-Bank GmbH

::: Christoph Dänzer-Vanotti
Lawyer,
Essen
a) E.ON Energie AG
E.ON Energy from Waste AG

::: Patrick Döring
Member of the German Bundestag,
Hanover
a) VIFG Verkehrsinfrastrukturfinanzierungs-gesellschaft mbH
b) DFS Deutsche Flugsicherung GmbH (Advisory Board)

::: Dr.-Ing. Dr. E.h. Jürgen Großmann
Chairman of the Management Board of RWE AG,
Hamburg
a) BATIG Gesellschaft für Beteiligungen mbH
British American Tobacco (Germany) GmbH
British American Tobacco (Industrie) GmbH
SURTECO SE (Chairman)
b) Hanover Acceptances Limited, London/Great Britain

::: Dr. Bernhard Heitzer
State Secretary in the Federal Ministry of Economics and Technological Affairs,
Alfter
a) DB Mobility Logistics AG

::: Jörg Hensel*
Chairman of the Central Works Council of DB Schenker Rail Deutschland AG,
Chairman of the Branch Works Council of DB Mobility Logistics AG,
Hamm
a) DB Schenker Rail Deutschland AG
b) DEVK Pensionsfonds-AG (Advisory Board)

::: Klaus-Dieter Hommel*
Deputy Chairman of the Railway and Transport Workers Union (EVG),
Frankfurt am Main
a) DB Fahrzeuginstandhaltung GmbH
DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn
DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn
DEVK Pensionsfonds-AG
DEVK Rechtsschutz-Versicherungs-AG

::: Wolfgang Joosten*
Chairman of the Central Works Council of DB Fernverkehr AG,
Lünen
a) DB Fernverkehr AG
b) DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn (Advisory Board)

::: Günter Kirchheim*
Chairman of the Group Works Council of Deutsche Bahn AG,
Chairman of the Central Works Council of DB Netz AG,
Essen
a) DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn
DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn
DEVK Pensionsfonds-AG (Chairman)
DEVK Vermögensvorsorge- und Beteiligungs-AG (Chairman)

::: Helmut Kleindienst*
Chairman of the Works Council of DB Dienstleistungen GmbH,
Eppstein/Taunus
b) DB Dienstleistungen GmbH (Advisory Board)

::: Dr. Jürgen Krumnow
Former member of the Management Board of Deutsche Bank,
Wiesbaden
a) DB Mobility Logistics AG
Lenze AG
b) Bahlsen GmbH & Co. KG (Advisory Board)
Peek & Cloppenburg KG (Advisory Board)

::: Prof. Dr. Knut Löschke

Management consultant,
Leipzig

a) Stratos AG
Universitätsklinikum Leipzig, AÖR

b) Druck & Werte GmbH
(Advisory Board, Chairman)

::: Vitus Miller*

Chairman of the Central Works Council Regional/Urban Transport of Deutsche Bahn Group,
Stuttgart

a) DB Regio AG

::: Ute Plambeck*

Management Representative Deutsche Bahn AG of Hamburg/Schleswig-Holstein,
Hamburg

a) Autokraft GmbH
S-Bahn Hamburg GmbH
Sparda-Bank Hamburg eG

b) Seehafen Kiel GmbH & Co. KG (Advisory Board)

::: Mario Reiß*

Chairman of the Works Council of DB Schenker Rail Deutschland AG NL South-East,
Süptitz

a) DB Schenker Rail Deutschland AG

::: Regina Rusch-Ziemba*

Deputy Chairwoman of the Railway and Transport Workers Union (EVG),
Hamburg

a) DB Station & Service AG
DB Bahnbau Gruppe GmbH
DB Fahrwegdienste GmbH
DB JobService GmbH
DB ProjektBau GmbH
DEVK Allgemeine Lebensversicherungs-AG (Chairman)
DEVK Allgemeine Versicherungs-AG
DEVK Pensionsfonds-AG

::: Prof. Klaus-Dieter Scheurle

State Secretary, Federal Ministry of Transport, Building and Urban Affairs,
Bonn

a) DB Mobility Logistics AG
Fraport AG

b) DFS Deutsche Flugsicherung GmbH
(Chairman)

::: Dr.-Ing. E.h. Dipl.-Ing. Heinrich Weiss

Chairman of the Management Board of SMS Holding GmbH,
Hilchenbach-Dahlbruch

a) DB Mobility Logistics AG
SMS Siemag AG [1] (Chairman)
Voith AG

b) Bombardier Inc., Montreal/Canada

* Employees' representative on the Supervisory Board.
1) Mandate within DB Group.
a) Membership in other supervisory boards required by law.
b) Membership in comparable domestic and foreign corporate control committees of business enterprises.

Information relating to December 31, 2011 or the time of leaving the services of the company in 2011. If appointed after December 31, 2011, the time of appointment is used.

Supervisory Board committees

::: Executive Committee

Prof. Dr. Dr. Utz-Hellmuth Felcht (Chairman)
Günter Kirchheim
Alexander Kirchner
Prof. Klaus-Dieter Scheurle

::: Audit and Compliance Committee

Dr. Jürgen Krumnow (Chairman)
Helmut Kleindienst
Regina Rusch-Ziemba
Prof. Klaus-Dieter Scheurle

::: Personnel Committee

Prof. Dr. Dr. Utz-Hellmuth Felcht (Chairman)
Günter Kirchheim
Alexander Kirchner
Prof. Klaus-Dieter Scheurle

::: Member of the Mediation Committee

Prof. Dr. Dr. Utz-Hellmuth Felcht (Chairman)
Günter Kirchheim
Alexander Kirchner
Prof. Klaus-Dieter Scheurle

(28) AUDITOR'S FEES

Information concerning the fees of the company's auditor has not been disclosed, because this information is included in the consolidated financial statements of DB AG.

(29) EVENTS AFTER THE BALANCE SHEET DATE

Events after the balance sheet date are detailed in the management report.

(30) PROPOSED APPROPRIATION OF PROFITS

The following proposal is made to the shareholders' meeting: The net retained profit reported as of December 31, 2011 (€ 3,930,751,898.90) should be used to pay a dividend of € 3,405,751,898.90, and the remainder of € 525,000,000.00 should be carried forward to the new account.

Berlin, February 21, 2012

Deutsche Bahn Aktiengesellschaft
The Management Board

LIST OF SHAREHOLDINGS

Subsidiary — Name and domicile	Currency	Equity in TLC [1]	Ownership in %
DB BAHN LONG-DISTANCE			
FULLY CONSOLIDATED			
DB Bahn Italia S.r.l., Verona/Italy	EUR	13,321	100.00
DB European Railservice GmbH, Dortmund [2]	EUR	-197	100.00
DB Fernverkehr Aktiengesellschaft, Frankfurt am Main [2]	EUR	2,128,480	100.00
DB Reise & Touristik Suisse SA, Basel/Switzerland	CHF	482	100.00
DBAutoZug GmbH, Dortmund [2]	EUR	134,126	100.00
GERMAN RAIL UK LIMITED, London/Great Britain	GBP	-23	100.00
le train DB S.A.S, Paris/France	EUR	1,517	100.00
AT EQUITY			
Alleo GmbH, Saarbrücken [2]	EUR	157	50.00
RailLink B.V., Amsterdam/the Netherlands [2],[6]	EUR	-5,875	25.00
Railteam B.V., Amsterdam/the Netherlands [2],[3],[6]	EUR	82	25.00
Rheinalp GmbH, Freiburg im Breisgau [2],[4]	EUR	86	50.00
DB BAHN REGIONAL			
FULLY CONSOLIDATED			
A. Philippi GmbH, Querschied [2]	EUR	406	100.00
Autokraft GmbH, Kiel [2]	EUR	8,663	100.00
Bayern Express & P. Kühn Berlin GmbH, Berlin [2]	EUR	3,910	100.00
BBH BahnBus Hochstift GmbH, Paderborn [2]	EUR	2,206	100.00
BERLIN LINIEN BUS Gesellschaft mit beschränkter Haftung, Berlin	EUR	26	65.00
BRN Busverkehr Rhein-Neckar GmbH, Ludwigshafen am Rhein [2]	EUR	13,329	100.00
BRN Stadtbus GmbH, Ludwigshafen am Rhein [2]	EUR	205	100.00
BRS Busverkehr Ruhr-Sieg GmbH, Meschede [2]	EUR	4,558	100.00
Busverkehr Märkisch-Oderland GmbH, Strausberg	EUR	5,556	51.17
Busverkehr Oder-Spree GmbH, Fürstenwalde	EUR	3,707	51.17
BVO Busverkehr Ostwestfalen GmbH, Bielefeld [2]	EUR	11,409	100.00
BVR Busverkehr Rheinland GmbH, Düsseldorf [2]	EUR	4,284	100.00
DB Busverkehr Hessen GmbH, Weiterstadt [2]	EUR	-107	100.00
DB Regio Aktiengesellschaft, Frankfurt am Main [2]	EUR	1,816,314	100.00
DB Regio Nord GmbH, Hanover [2]	EUR	25	100.00
DB Regio NRW GmbH, Düsseldorf [2]	EUR	280,023	100.00
DB RegioNetz Verkehrs GmbH, Frankfurt am Main [2]	EUR	67,482	100.00
DB Stadtverkehr Bayern GmbH, Coburg [2]	EUR	32	100.00
DB ZugBus Regionalverkehr Alb-Bodensee GmbH (RAB), Ulm [2]	EUR	24,667	100.00
Friedrich Müller Omnibusunternehmen GmbH, Schwäbisch Hall [2]	EUR	350	100.00
Haller Busbetrieb GmbH, Walsrode-Honerdingen [2]	EUR	25	100.00
Hanekamp Busreisen GmbH, Cloppenburg [2]	EUR	557	100.00
Heider Stadtverkehr GmbH, Heide [2]	EUR	54	100.00
KOB GmbH, Oberthulba	EUR	829	70.00
NVO Nahverkehr Ostwestfalen GmbH, Münster/Westfalen [2]	EUR	1,390	100.00
Omnibusverkehr Franken GmbH (OVF), Nuremberg [2]	EUR	13,779	100.00
ORN Omnibusverkehr Rhein-Nahe GmbH, Mainz [2]	EUR	5,212	100.00
RBO Regionalbus Ostbayern GmbH, Regensburg [2]	EUR	10,135	100.00
Regional Bus Stuttgart GmbH RBS, Stuttgart [2]	EUR	16,009	100.00
Regionalbus Braunschweig GmbH -RBB-, Brunswick [2]	EUR	7,105	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC 1)	Ownership in %
Regionalverkehr Allgäu GmbH (RVA), Oberstdorf 2)	EUR	3,071	70.00
Regionalverkehr Dresden GmbH, Dresden	EUR	5,700	51.00
Regionalverkehr Kurhessen GmbH (RKH), Kassel 2)	EUR	15,492	100.00
Regionalverkehr Oberbayern Gesellschaft mit beschränkter Haftung, Munich 2)	EUR	12,383	100.00
RegioTram Betriebsgesellschaft mbH, Kassel	EUR	185	50.96
rhb rheinhunsrückbus GmbH, Simmern	EUR	281	48.69
Rhein-Westerwald Nahverkehr GmbH, Montabaur	EUR	119	61.36
RMV Rhein-Mosel Verkehrsgesellschaft mbH, Koblenz 2)	EUR	9,556	74.90
RVE Regionalverkehr Euregio Maas-Rhein GmbH, Aachen 2)	EUR	1,348	100.00
RVN Regionalverkehr Niederrhein GmbH, Wesel 2)	EUR	521	100.00
RVS Regionalbusverkehr Südwest GmbH, Karlsruhe 2)	EUR	7,176	100.00
Saar-Pfalz-Bus GmbH, Saarbrücken 2)	EUR	9,466	100.00
S-Bahn Berlin GmbH, Berlin 2)	EUR	169,568	100.00
S-Bahn Hamburg GmbH, Hamburg 2)	EUR	61,973	100.00
SBG SüdbadenBus GmbH, Freiburg im Breisgau 2)	EUR	6,793	100.00
Südwest Mobil GmbH, Mainz 2)	EUR	51	100.00
Verkehrsgesellschaft mbH Untermain -VU-, Aschaffenburg 2)	EUR	2,579	100.00
Verkehrsgesellschaft Schleswig-Holstein mbH, Flensburg 2)	EUR	59	100.00
Verkehrsgesellschaft Schwalm-Eder mbH (VSE), Kassel	EUR	26	100.00
WB Westfalen Bus GmbH, Münster 2)	EUR	6,015	100.00
WBL GmbH, Berlin	EUR	8,482	100.00
Weser-Ems Busverkehr GmbH (WEB), Bremen 2)	EUR	10,208	100.00
Zentral-Omnibusbahnhof Berlin GmbH, Berlin 2)	EUR	414	100.00
AT EQUITY			
"Steig ein" GmbH, Kempten 2), 4)	EUR	34	23.33
Bodensee-Oberschwaben Verkehrsverbundgesellschaft mit beschränkter Haftung, Ravensburg 2), 4)	EUR	97	25.31
die linie GmbH, Kellinghusen 2), 5)	EUR	1,043	25.00
ETP EURO TRAFFIC PARTNER GmbH, Chemnitz 2), 6)	EUR	447	12.75
Filsland Mobilitätsverbund GmbH, Göppingen	EUR		30.00
FSN Fahrzeugservice Neunkirchen GmbH, Neunkirchen 2), 3)	EUR	144	47.50
Hövelhofer Ortsbus GmbH (HOB), Rheda-Wiedenbrück 2), 8)	EUR	11	50.00
Kahlgrund-Verkehrs-Gesellschaft mit beschränkter Haftung, Schöllkrippen 2), 4)	EUR	10,249	28.00
Kitzinger Nahverkehrsgemeinschaft (KiNG), Kitzingen	EUR		50.00
Kreisbahn Aurich GmbH, Aurich 2), 3)	EUR	1,218	33.33
Main-Spessart-Nahverkehrsgesellschaft mbH, Gemünden (Main) 2), 4)	EUR	9	25.00
NSH Nahverkehr Schleswig-Holstein GmbH, Kiel 2), 6)	EUR	4	46.90
OWL Verkehr GmbH, Bielefeld 2), 4)	EUR	58	31.30
RBP Regionalbusverkehr Passau Land GmbH, Bad Füssing 2), 6)	EUR	77	33.33
Regionalverkehr Bayerisch Schwaben GmbH (RBS), Augsburg 2), 4)	EUR	119	50.00
Regio-Verkehrsverbund Freiburg GmbH (RVF), Freiburg 2), 6)	EUR	411	45.00
Rhein-Nahe Nahverkehrsverbund GmbH, Ingelheim am Rhein 2), 7)	EUR	127	38.33
Saarländische Nahverkehrs-Service GmbH, Saarbrücken 2), 5)	EUR	50	30.00
stadtbus Ravensburg Weingarten GmbH, Ravensburg 2), 4)	EUR	25	45.20
TGO – Tarifverbund Ortenau GmbH, Offenburg 2), 5)	EUR	225	48.50
Unternehmensgesellschaft Verkehrsverbund Rhein-Neckar GmbH (URN GmbH), Mannheim 2), 4)	EUR	206	33.94
UVW Unternehmensverbund Westpfalz GmbH, Kaiserslautern 5)	EUR	29	61.67
Verkehrsgemeinschaft Aalen GmbH (VGA), Aalen 2), 6)	EUR	64	26.67
Verkehrsgemeinschaft Mittelthüringen GmbH (VMT), Erfurt 2), 4)	EUR	61	16.67
Verkehrsgemeinschaft Schwäbisch Gmünd GmbH (VSG), Schwäbisch Gmünd 2), 5)	EUR	29	25.00
Verkehrsgesellschaft Landkreis Nienburg mbH (VLN), Nienburg/Weser 2)	EUR	26	47.00
VerkehrsGesellschaft Main-Tauber mbH (VGMT), Lauda-Königshofen 2), 4)	EUR	48	42.19
Verkehrsunternehmen Hegau-Bodensee Verbund GmbH (VHB), Constance 2), 5)	EUR	30	34.00
Verkehrsunternehmens-Verbund Mainfranken GmbH – VVM, Würzburg 2), 4)	EUR	28	19.82
Verkehrsverbund Bremen/Niedersachsen GmbH (VBN), Bremen 2), 4)	EUR	108	21.47
Verkehrsverbund Großraum Nürnberg GmbH (VGN), Nuremberg 2), 3)	EUR	52	26.92
Verkehrsverbund Neckar-Alb-Donau GmbH (naldo), Hechingen 2), 4)	EUR	40	21.00
Verkehrsverbund Schwarzwald-Baar GmbH (VSB), Villingen-Schwenningen 2), 4)	EUR	17	45.00
Verkehrsverbund Süd-Niedersachsen GmbH (VSN), Göttingen 2), 6)	EUR	88	33.08
VGC Verkehrsgesellschaft Bäderkreis Calw mbH, Calw 2), 4)	EUR	327	32.50
VHN Verkehrsholding Nord GmbH & Co. KG, Flensburg 2), 4)	EUR	648	20.00
VHN Verwaltungsgesellschaft mbH, Flensburg 2), 4)	EUR	366	20.00
VMS Verkehrs-Management und Service GmbH, Trier 2), 3)	EUR	58	38.46
Völklinger Verkehrsgesellschaft mbH, Völklingen 2), 7)	EUR	229	25.50

Subsidiary — Name and domicile	Currency	Equity in TLC [1]	Ownership in %
WNS Westpfälzische Nahverkehrs-Service GmbH, Kaiserslautern [2),4)]	EUR	284	45.00
WTV Waldshuter Tarifverbund GmbH, Waldshut-Tiengen [2),4)]	EUR	89	40.00
ZOB Zentral-Omnibus-Bahnhof GmbH, Bremen [2),4)]	EUR	29	25.60
AT COST			
Regio Verkehrsverbund Lörrach GmbH (RVL), Lörrach [2),4)]	EUR	229	54.00
Verkehrsverbund Rottweil GmbH (VVR), Rottweil [2),4)]	EUR	90	70.20
vgf Verkehrs-Gemeinschaft Landkreis Freudenstadt GmbH, Waldachtal [2),4)]	EUR	139	52.92
DB ARRIVA			
FULLY CONSOLIDATED			
A&T Motor Retailing Limited, Sunderland/Great Britain	GBP	1,514	100.00
ACTIJOVEN CONSULTING & TRAVELLING s.l., Madrid/Spain	EUR	483	100.00
AJ Transit Limited, Sunderland/Great Britain	GBP	0	100.00
Alliance Rail Holdings Ltd, York/Great Britain	GBP	-283	75.10
Alliance Rail Management Ltd, York/Great Britain	GBP	0	75.10
Alnery 1345 Limited, Sunderland/Great Britain	GBP	0	100.00
Ambermile Ltd, Sunderland/Great Britain	GBP	99	100.00
APS (Leasing) Ltd, Sunderland/Great Britain	GBP	-17,424	100.00
Arriva (2007) Limited, Sunderland/Great Britain	GBP	378,333	100.00
Arriva (Doxford) Limited, Sunderland/Great Britain	GBP	0	100.00
Arriva Abbey Line Limited, Sunderland/Great Britain	GBP	0	100.00
Arriva Achterhoek - Rivierenland BV, Heerenveen/the Netherlands	EUR	63,704	100.00
Arriva Beheer NV, Heerenveen/the Netherlands	EUR	-1,483	100.00
Arriva Brabant BV, Heerenveen/the Netherlands	EUR	-14	100.00
Arriva Bus & Coach Holdings Limited, Sunderland/Great Britain	GBP	20,883	100.00
Arriva Bus and Coach Finance Ltd, Sunderland/Great Britain	GBP	2,064	100.00
Arriva Bus and Coach Ltd, Sunderland/Great Britain	GBP	7,978	100.00
Arriva Bus and Coach Rental (1) Ltd, Sunderland/Great Britain	GBP	3,465	100.00
Arriva Bus and Coach Rental (2) Ltd, Sunderland/Great Britain	GBP	3,166	100.00
Arriva Bus and Coach Rental (3) Ltd, Sunderland/Great Britain	GBP	1,831	100.00
Arriva Bus and Coach Rental (4) Ltd, Sunderland/Great Britain	GBP	-2,230	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC [1]	Ownership in %
Arriva Busfleet NV, Heerenveen/the Netherlands	EUR	-4,734	100.00
Arriva Cheshire Limited, Sunderland/Great Britain	GBP	1,251	100.00
Arriva Colchester Limited, Sunderland/Great Britain	GBP	-64	100.00
Arriva Concessie BV, Heerenveen/the Netherlands	EUR	18	100.00
Arriva Coöperatie W.A., Heerenveen/the Netherlands	EUR	691,011	100.00
Arriva Croydon & North Surrey Limited, Sunderland/Great Britain	GBP	-16	100.00
Arriva Cymru Limited, Sunderland/Great Britain	GBP	7,579	100.00
Arriva Danmark A/S, Kastrup/Denmark	DKK	1,449,716	100.00
Arriva DAV BV, Heerenveen/the Netherlands	EUR	-1,874	100.00
Arriva Derby Limited, Sunderland/Great Britain	GBP	6,835	100.00
Arriva Durham County Limited, Sunderland/Great Britain	GBP	1,679	100.00
Arriva East Herts & Essex Ltd, Sunderland/Great Britain	GBP	1,085	100.00
Arriva Finance Holding BV, Heerenveen/the Netherlands	EUR	76,550	100.00
Arriva Finance Lease Limited, Sunderland/Great Britain	GBP	7,618	100.00
Arriva Finance Limited, Sunderland/Great Britain	GBP	0	100.00
Arriva Findiv Limited, Sunderland/Great Britain	GBP	259,966	100.00
Arriva Fox County Limited, Sunderland/Great Britain	GBP	0	100.00
Arriva Guildford & West Surrey Limited, Sunderland/Great Britain	GBP	2,524	100.00
Arriva Holding Česká Republika s.r.o., Prague/Czech Republic	CZK	618,700	100.00
Arriva Hongarije Holding BV, Heerenveen/the Netherlands	EUR	33,468	100.00
Arriva HWGO BV, Heerenveen/the Netherlands	EUR	155	100.00
Arriva Insurance A/S, Kastrup/Denmark	DKK	51,874	100.00
Arriva Insurance Company (Gibraltar) Limited, Gibraltar/Gibraltar	GBP	5,530	100.00
Arriva International (2) Limited, Sunderland/Great Britain	GBP	52	100.00
Arriva International (7) Limited, Sunderland/Great Britain	GBP	151,922	100.00
Arriva International (Northern Europe) Limited, Sunderland/Great Britain	EUR	357,999	100.00
Arriva International (Southern Europe) Limited, Sunderland/Great Britain	EUR	357,998	100.00
Arriva International Finance Limited, Sunderland/Great Britain	EUR	372,706	100.00
Arriva International Limited, Sunderland/Great Britain	GBP	327,019	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC [1)]	Ownership in %
Arriva International Trains (Leasing) Limited, Sunderland/Great Britain	EUR	12,696	100.00
ARRIVA INVESTIMENTOS SGPS, SA, Almada/Portugal	EUR	216,877	99.99
Arriva Italia S.R.L., Bergamo/Italy	EUR	17	100.00
Arriva Italia s.r.l., Milan/Italy	EUR	176,811	99.99
Arriva Kent & Sussex Limited, Sunderland/Great Britain	GBP	7,129	100.00
Arriva Kent Thameside Limited, Sunderland/Great Britain	GBP	11,802	100.00
Arriva Leasing (UK) Limited, Sunderland/Great Britain	GBP	0	100.00
ARRIVA LISBOA TRANSPORTES SA, Almada/Portugal	EUR	8	99.99
Arriva Liverpool Limited, Sunderland/Great Britain	GBP	716	100.00
Arriva London Limited, Sunderland/Great Britain	GBP	0	100.00
ARRIVA LONDON NORTH EAST LTD, Sunderland/Great Britain	GBP	5,752	100.00
ARRIVA LONDON NORTH LTD, Sunderland/Great Britain	GBP	98,995	100.00
ARRIVA LONDON SOUTH LTD, Sunderland/Great Britain	GBP	24,994	100.00
Arriva Magyarorszag Vagyonkezelo Kft, Budapest/Hungary	HUF	7,718,603	100.00
Arriva Malta Finance & Investments Limited, Valletta/Malta	EUR	587,241	99.99
Arriva Malta Holdings Limited, Valletta/Malta	EUR	582,423	100.00
Arriva Malta Limited, Qormi/Malta	EUR	-4,398	66.67
Arriva Manchester Limited, Sunderland/Great Britain	GBP	-1,032	100.00
Arriva Medway Towns Limited, Sunderland/Great Britain	GBP	4,231	100.00
Arriva Merseyside Limited, Sunderland/Great Britain	GBP	10,545	100.00
Arriva Midlands Limited, Sunderland/Great Britain	GBP	5,653	100.00
Arriva Midlands North Limited, Sunderland/Great Britain	GBP	11,840	100.00
Arriva Motor Holdings Limited, Sunderland/Great Britain	GBP	140,858	100.00
Arriva Motor Retailing Limited, Sunderland/Great Britain	GBP	67,492	100.00
Arriva Multimodaal BV, Heerenveen/the Netherlands	EUR	18	100.00
Arriva Noroeste s.l., Ferrol/Spain	EUR	72,549	100.00
Arriva North East Limited, Sunderland/Great Britain	GBP	6,320	100.00
Arriva North West Limited, Sunderland/Great Britain	GBP	-861	100.00
Arriva Northumbria Limited, Sunderland/Great Britain	GBP	4,155	100.00
Arriva Openbaar Vervoer NV, Heerenveen/the Netherlands	EUR	37,933	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC [1)]	Ownership in %
Arriva Passenger Services (International) Limited, Sunderland/Great Britain	GBP	-156	100.00
Arriva Passenger Services Limited, Sunderland/Great Britain	GBP	785,725	100.00
Arriva Passenger Services Pension Trustees Limited, Sunderland/Great Britain	GBP	0	100.00
Arriva Personenvervoer Nederland BV, Heerenveen/the Netherlands	EUR	225,069	100.00
Arriva Plc, Sunderland/Great Britain	GBP	621,995	100.00
Arriva Polen Holding B.V., Heerenveen/the Netherlands	EUR	6,561	100.00
Arriva Polska Sp. z o.o., Warsaw/Poland	PLN	24,363	100.00
ARRIVA PORTUGAL – TRANSPORTES LDA, Guimaraes/Portugal	EUR	9,788	99.99
Arriva RP Sp. z o.o., Warsaw/Poland	PLN	5,908	100.00
Arriva Scotland West Limited, Inchinnan/Great Britain	GBP	1,993	100.00
Arriva Slowakije Holding BV, Heerenveen/the Netherlands	EUR	19	100.00
Arriva Southend Limited, Sunderland/Great Britain	GBP	6,282	100.00
Arriva Southern Counties Limited, Sunderland/Great Britain	GBP	680	100.00
Arriva Sverige AB, Helsingborg/Sweden	SEK	440,391	100.00
Arriva Tag AB, Malmö/Sweden	SEK	47,702	100.00
Arriva Techniek BV, Heerenveen/the Netherlands	EUR	302	100.00
Arriva Tees & District Limited, Sunderland/Great Britain	GBP	625	100.00
Arriva Teeside Limited, Sunderland/Great Britain	GBP	237	100.00
Arriva the Shires Limited, Sunderland/Great Britain	GBP	8,048	100.00
Arriva Tog A/S, Kastrup/Denmark	DKK	432,184	100.00
Arriva Touring BV, Heerenveen/the Netherlands	EUR	2,751	100.00
Arriva Tours Ltd, Sunderland/Great Britain	GBP	5	100.00
Arriva Trains (Poland) Limited, Sunderland/Great Britain	EUR	686	100.00
Arriva Trains Merseyside Limited, Sunderland/Great Britain	GBP	21,110	100.00
Arriva Trains Northern Limited, Sunderland/Great Britain	GBP	48,736	100.00
Arriva Trains Scotrail Limited, Sunderland/Great Britain	GBP	0	100.00
Arriva Trains Wales Limited, Sunderland/Great Britain	GBP	64,152	100.00
Arriva Transport Solutions Limited, Sunderland/Great Britain	GBP	109	100.00
ARRIVA TRANSPORTES DA MARGEM SUL, SA, Almada/Portugal	EUR	82,201	99.99
Arriva Trustee Company Limited, Sunderland/Great Britain	GBP	0	100.00
Arriva UK Trains Limited, Sunderland/Great Britain	GBP	151,166	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC 1)	Ownership in %
Arriva vlaky s.r.o., Prague/Czech Republic	CZK	-1,248	100.00
Arriva Wadden BV, Heerenveen/the Netherlands	EUR	2,002	100.00
Arriva Waterland Rivierenland BV, Heerenveen/the Netherlands	EUR	2,985	100.00
Arriva Watford Ltd, Sunderland/Great Britain	GBP	5	100.00
Arriva West Sussex Limited, Sunderland/Great Britain	GBP	4,331	100.00
Arriva Yorkshire Ltd, Sunderland/Great Britain	GBP	5,660	100.00
Arriva Yorkshire North Ltd, Sunderland/Great Britain	GBP	600	100.00
Arriva Yorkshire South Ltd, Sunderland/Great Britain	GBP	1,263	100.00
Arriva Yorkshire West Ltd, Sunderland/Great Britain	GBP	3,374	100.00
Arriva Zuid Europa Holding BV, Heerenveen/the Netherlands	EUR	570,350	100.00
Arrowline (Travel) Limited, Sunderland/Great Britain	GBP	41	100.00
ASC 2001 A/S, Kastrup/Denmark	DKK	245,884	100.00
At Seat Catering (2003) Limited, Sunderland/Great Britain	GBP	-12	100.00
AUTOBUSES GREISI S.L., Madrid/Spain	EUR	261	100.00
AUTOCARES FRAY ESCOBA SLU, Madrid/Spain	EUR	1,233	100.00
Autocares Mallorca, s.l., Alcudia/Spain	EUR	5,126	100.00
Autocares Pujol s.l., Alcudia/Spain	EUR	-132	100.00
Autoservizi F.V.G. S.P.A. - SAF, Udine/Italy	EUR	64,115	60.00
B.B. Motors (Bristol) Limited, Sunderland/Great Britain	GBP	0	100.00
Bergamo Trasporti Est S.c.a.r.l., Bergamo/Italy	EUR	10	93.66
Bergamo Trasporti Ovest S.c.a.r.l., Bergamo/Italy	EUR	10	65.76
BOSAK BUS spol. s r.o., Dobris/Czech Republic	CZK	47,673	100.00
Botniatag AB, Stockholm/Sweden	SEK	14,971	60.00
British Bus (1993) Limited, Sunderland/Great Britain	GBP	1	100.00
British Bus (Properties) Limited, Sunderland/Great Britain	GBP	66,608	100.00
British Bus Group Limited, Sunderland/Great Britain	GBP	43,138	100.00
British Bus Limited, Sunderland/Great Britain	GBP	-7,003	100.00
Broadwood Finance Company Limited, Sunderland/Great Britain	GBP	-42,546	100.00
Bus Nord Balear s.l., Alcudia/Spain	EUR	-2,798	100.00
Buscompagniet 2004 ApS, Kastrup/Denmark	DKK	9,435	100.00
BUSCOMPAGNIET ApS, Kastrup/Denmark	DKK	124,969	100.00
BUSDAN 20 ApS, Kastrup/Denmark	DKK	1,739	100.00
BUSDAN 21 ApS, Kastrup/Denmark	DKK	154,966	100.00
BUSDAN 24 ApS, Kastrup/Denmark	DKK	8,107	100.00
BUSDAN 25 ApS, Kastrup/Denmark	DKK	6,103	100.00
BUSDAN 26 ApS, Kastrup/Denmark	DKK	-21,053	100.00
BUSDAN 27 ApS, Kastrup/Denmark	DKK	-25,383	100.00
BUSDAN 28 ApS, Kastrup/Denmark	DKK	-21,663	100.00
BUSDAN 29 ApS, Kastrup/Denmark	DKK	-21,991	100.00
BUSDAN 29.1 ApS, Kastrup/Denmark	DKK	-25,090	100.00
BUSDAN 30 ApS, Kastrup/Denmark	DKK	-8,219	100.00
BUSDAN 31 ApS, Kastrup/Denmark	DKK	-1,926	100.00
BUSDAN 32 ApS, Kastrup/Denmark	DKK	873	100.00
BUS-SERVICE SLOVAKIA, spol. s r.o., Komarno/Slovakia	EUR	1,104	100.00
BWS Cymru Cyfyngedig, Sunderland/Great Britain	GBP	5	100.00
Caserapid Limited, Sunderland/Great Britain	GBP	241	100.00
CDK Ejendomme 2005 A/S, Kastrup/Denmark	DKK	914	100.00
CDK Fleet Management A/S, Kastrup/Denmark	DKK	1,202	100.00
CDK Service A/S, Kastrup/Denmark	DKK	226	100.00
Chase Coaches Limited, Sunderland/Great Britain	GBP	-212	100.00
Chiltern Railway Company Limited, London/Great Britain	GBP	-25,953	100.00
Classic Buses (Stanley) Limited, Sunderland/Great Britain	GBP	0	100.00
Classic Coaches (Continental) Limited, Sunderland/Great Britain	GBP	214	100.00
Classic Trim Ltd, Sunderland/Great Britain	GBP	0	100.00
Clydeside Buses Limited, Sunderland/Great Britain	GBP	0	100.00
COMBUS EJENDOMME ApS, Kastrup/Denmark	DKK	27,517	100.00
Cooperativa Bergamasca Trasporti a r.l., Bergamo/Italy	EUR	-69	59.52
County Bus Holdings Ltd, Sunderland/Great Britain	GBP	98	100.00
Cowie Contract Hire Limited, Sunderland/Great Britain	GBP	0	100.00
Cowie Lease Limited, Sunderland/Great Britain	GBP	0	100.00
Crossville Bus Limited, Sunderland/Great Britain	GBP	1	100.00
CTD Leasing 2001 A/S, Kastrup/Denmark	DKK	513	100.00
Curtis Coaches Limited, Sunderland/Great Britain	GBP	104	100.00
DB Regio Essex Thameside Limited, London/Great Britain	GBP	0	100.00
DB Regio Sverige AB, Stockholm/Sweden	SEK	63,178	100.00
DB Regio Tyne and Wear Limited, London/Great Britain	GBP	-2,500	100.00
DB Regio UK Limited, London/Great Britain	GBP	-11,296	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC 1)	Ownership in %
Derby City Transport Limited, Sunderland/Great Britain	GBP	11	100.00
Derby Omnibus Limited, Sunderland/Great Britain	GBP	1,420	100.00
East Coast Buses Limited, Sunderland/Great Britain	GBP	0	100.00
Eastern Tractors (1981) Limited, Sunderland/Great Britain	GBP	0	100.00
Eastern Tractors (Holdings) Limited, Sunderland/Great Britain	GBP	0	100.00
EMPRESA DE BLAS Y CIA S.L., Madrid/Spain	EUR	75,127	100.00
ESFERA BUS SLU, Madrid/Spain	EUR	1,127	100.00
ESFERA UNIVERSAL SLU, Madrid/Spain	EUR	18,928	100.00
Estacion de autobuses de Ferrol S.A., Ferrol/Spain	EUR	261	80.14
ET Trains Limited, Sunderland/Great Britain	GBP	0	100.00
EUROBUS-INVEST Regionalis Kozlkedesfejlesztesi Zrt, Budapest/Hungary	HUF	3,676,352	100.00
EUROBUS-INVEST SLOVAKIA, s.r.o., Komarno/Slovakia	EUR	22,747	100.00
Eurocare Travel Ltd, Sunderland/Great Britain	GBP	283	100.00
Excel Gatwick Limited, Sunderland/Great Britain	GBP	17	100.00
Excel Passenger Logistics Limited, Sunderland/Great Britain	GBP	182	100.00
Fareway Passenger Services Limited, Sunderland/Great Britain	GBP	2	100.00
Fickling Investments Limited, Sunderland/Great Britain	GBP	0	100.00
Flight Delay Services Limited, Sunderland/Great Britain	GBP	87	100.00
Foxhound Limited, Sunderland/Great Britain	GBP	168	100.00
GCRC Holdings Limited, Bristol/Great Britain	GBP	46,626	100.00
Grand Central Railway Company Limited, Bristol/Great Britain	GBP	– 37,680	100.00
Great North Eastern Railway Company Ltd, York/Great Britain	GBP	0	75.10
Great North Western Railway Company Ltd, York/Great Britain	GBP	0	75.10
Green Travel Limited, Sunderland/Great Britain	GBP	3	100.00
Greenline Travel Ltd, Sunderland/Great Britain	GBP	8	100.00
Grey Green Ltd, Sunderland/Great Britain	GBP	8	100.00
Guildford & West Surrey Buses Limited, Sunderland/Great Britain	GBP	3	100.00
GW Trains Limited, Sunderland/Great Britain	GBP	0	100.00
Hanger Trucks Limited, Sunderland/Great Britain	GBP	0	100.00
Hoppanstopper Ltd, Sunderland/Great Britain	GBP	3	100.00
Horsham Buses Limited, Sunderland/Great Britain	GBP	62	100.00
Hylton Castle Motors Limited, Sunderland/Great Britain	GBP	84	100.00
INFRA-S, spol. s.r.o., Komarno/Slovakia	EUR	1,400	100.00
INTER-BUS INVEST Befektetesi Zrt, Budapest/Hungary	HUF	1,153,236	100.00
JTL 2004 ApS, Kastrup/Denmark	DKK	3,291	100.00
JTL 2009 ApS, Kastrup/Denmark	DKK	14,017	100.00
K Line Travel Ltd, Sunderland/Great Britain	GBP	195	100.00
Kennan Investments Limited, Sunderland/Great Britain	GBP	0	100.00
Lecco Trasporti S.c.a.r.l., Lecco/Italy	EUR	10	56.94
Linkline Coaches Limited, Sunderland/Great Britain	GBP	15	100.00
Liverline Travel Services Limited, Sunderland/Great Britain	GBP	1	100.00
LJ Transit (Southern) Limited, Sunderland/Great Britain	GBP	0	100.00
London & Country Ltd, Sunderland/Great Britain	GBP	282	100.00
London and Northwestern Railway Company Limited, Sunderland/Great Britain	GBP	– 3,504	99.97
London Country Bus (North West) Ltd, Sunderland/Great Britain	GBP	0	100.00
London Pride (Bus Sales) Ltd, Sunderland/Great Britain	GBP	65	100.00
London Pride Bus and Coach Sales Ltd, Sunderland/Great Britain	GBP	41	100.00
London Pride Engineering Ltd, Sunderland/Great Britain	GBP	0	100.00
London Pride Group Ltd, Sunderland/Great Britain	GBP	452	100.00
London Pride Sightseeing Ltd, Sunderland/Great Britain	GBP	2,388	100.00
Londonlinks Buses Limited, Sunderland/Great Britain	GBP	– 6	100.00
LSK Leasing A/S, Kastrup/Denmark	DKK	2,663	100.00
M40 Trains Limited, London/Great Britain	GBP	39,571	100.00
Maidstone & District Advertising Limited, Sunderland/Great Britain	GBP	– 13	100.00
Maidstone & District Motor Services Ltd, Sunderland/Great Britain	GBP	1,046	100.00
Maldencrest Limited, Sunderland/Great Britain	GBP	1	100.00
Meadowhall Limited, Sunderland/Great Britain	GBP	52	100.00
Merseyrail Electrics Limited, Sunderland/Great Britain	GBP	0	100.00
Merseyrider Limited, Sunderland/Great Britain	GBP	66	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC 1)	Ownership in %
Merseyside Transport Limited, Sunderland/Great Britain	GBP	0	100.00
Midland Red North Limited, Sunderland/Great Britain	GBP	0	100.00
Milton Keynes Coaches Ltd, Sunderland/Great Britain	GBP	0	100.00
MK Metro Ltd, Sunderland/Great Britain	GBP	7,792	100.00
Moor-dale Coaches Limited, Sunderland/Great Britain	GBP	678	100.00
Motor Coach (Holdings) Limited, Sunderland/Great Britain	GBP	553	100.00
MTL (Heysham) Limited, Sunderland/Great Britain	GBP	0	100.00
MTL Asset Management Limited, Sunderland/Great Britain	GBP	0	100.00
MTL Northern Limited, Sunderland/Great Britain	GBP	0	100.00
MTL Services Limited, Sunderland/Great Britain	GBP	29,289	100.00
MTL Transport Limited, Sunderland/Great Britain	GBP	8	100.00
MTL Transport Services Limited, Sunderland/Great Britain	GBP	61	100.00
MTL Trust Holdings Limited, Sunderland/Great Britain	GBP	15	100.00
NETOSEC SLU, Madrid/Spain	EUR	337	100.00
Network Colchester Limited, Sunderland/Great Britain	GBP	556	100.00
New Enterprise Coaches (Tonbridge) Limited, Sunderland/Great Britain	GBP	-286	100.00
North British Bus Limited, Sunderland/Great Britain	GBP	2,369	100.00
North East Bus Limited, Sunderland/Great Britain	GBP	16,234	100.00
North East Bus Properties Limited, Sunderland/Great Britain	GBP	118	100.00
North Western Road Car Company Limited, Sunderland/Great Britain	GBP	28	100.00
Northern Spirit Limited, Sunderland/Great Britain	GBP	0	100.00
Northern Spirit Rail Limited, Sunderland/Great Britain	GBP	0	100.00
Northern Spirit Services Limited, Sunderland/Great Britain	GBP	25	100.00
Northern Spirit Trains Limited, Sunderland/Great Britain	GBP	0	100.00
Northern Spirit Transport Limited, Sunderland/Great Britain	GBP	0	100.00
Northern Spirit Travel Limited, Sunderland/Great Britain	GBP	0	100.00
Northumbria Motor Services Limited, Sunderland/Great Britain	GBP	126	100.00
NV Arriva Groningen, Heerenveen/the Netherlands	EUR	4,311	100.00
NV Personeel de Noord-Westhoek, Heerenveen/the Netherlands	EUR	421	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC 1)	Ownership in %
OFJ Connections Limited, Sunderland/Great Britain	GBP	276	100.00
OFJ Ground Services Limited, Sunderland/Great Britain	GBP	63	100.00
OSNADO spol. s.r.o., Svoboda nad Upou/Czech Republic	CZK	44,564	100.00
Peter Sherratt Limited, Sunderland/Great Britain	GBP	0	100.00
Pickerings Transport Services Limited, Sunderland/Great Britain	GBP	1,032	100.00
Premier Buses Ltd, Sunderland/Great Britain	GBP	2,102	100.00
Proudmutual Fleet Management Limited, Sunderland/Great Britain	GBP	221	100.00
RDS bus s.r.o., Babylon/Czech Republic	EUR	73	100.00
Regional Railways North East Limited, Sunderland/Great Britain	GBP	0	100.00
RIVIERA TRASPORTI LINEA S.P.A., Imperia/Italy	EUR	-1,226	79.99
Runway Motors (Bristol) Limited, Sunderland/Great Britain	GBP	0	100.00
S.A.B. AUTOSERVIZI S.R.L., Bergamo/Italy	EUR	28,853	99.99
S.A.L. Servizi automobilistici Lecchesi S.R.L., Lecco/Italy	EUR	6,743	99.99
S.I.A. Società Italiana Autoservizi S.P.A., Brescia/Italy	EUR	42,364	99.99
SAB Piemonte S.r.l. a socio unico, Grugliasco (TO)/Italy	EUR	6,664	99.99
SAD-BUSZ Szemelyszallitasi es Szolgaltato Kft, Szekesfehervar/Hungary	HUF	3,083	100.00
SADEM - SOCIETA' PER AZIONI, Turin/Italy	EUR	18,299	99.99
SAIA TRASPORTI S.P.A., Brescia/Italy	EUR	21,145	99.99
SBM ApS, Kastrup/Denmark	DKK	9,972	100.00
Selby and District Bus Company Limited, Sunderland/Great Britain	GBP	8	100.00
SERVICIOS INTEGRALES BUS & TRUCK S.A., Madrid/Spain	EUR	293	100.00
Slovenska autobusova doprava Michalovce, a.s., Michalovce/Slovakia	EUR	9,629	60.14
Slovenska autobusova doprava Nove Zamky, a.s., Nove Zamky/Slovakia	EUR	7,571	60.36
South Lancs Transport Limited, Sunderland/Great Britain	GBP	120	100.00
Stevensons Bus Services Limited, Sunderland/Great Britain	GBP	0	100.00
Stevensons of Uttoxeter Limited, Sunderland/Great Britain	GBP	531	100.00
T.Cowie Property Developments (Sheffield) Limited, Sunderland/Great Britain	GBP	-35	100.00
Teeside Motor Services Limited, Sunderland/Great Britain	GBP	3	100.00
Teesside Bus Services Ltd, Sunderland/Great Britain	GBP	0	100.00
Tellings Golden Miller Limited, Sunderland/Great Britain	GBP	-1,853	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC [1]	Ownership in %
TGM (Holdings) Limited, Sunderland/Great Britain	GBP	8,026	100.00
TGMGroup Limited, Sunderland/Great Britain	GBP	-7,566	100.00
The Beeline Buzz Company Limited, Sunderland/Great Britain	GBP	3,743	100.00
The Keep Motor Group (Epsom) Limited, Sunderland/Great Britain	GBP	0	100.00
The Keep Motor Group (High Wycombe) Limited, Sunderland/Great Britain	GBP	0	100.00
The Keep Motor Group (Wolverhampton) Limited, Sunderland/Great Britain	GBP	0	100.00
The Keep Motor Group (Worcester) Limited, Sunderland/Great Britain	GBP	0	100.00
The Keep Trust Limited, Sunderland/Great Britain	GBP	0	100.00
The Original London Sightseeing Tour Ltd, Sunderland/Great Britain	GBP	5,215	100.00
The Original Passenger Picture Show Limited, Sunderland/Great Britain	GBP	880	100.00
The Proudmutual Transport Group Limited, Sunderland/Great Britain	GBP	113	100.00
TL Trains Limited, Sunderland/Great Britain	GBP	0	100.00
Transcare Solutions Limited, Sunderland/Great Britain	GBP	-9	100.00
TRANSCENTRUM bus s.r.o., Kosmonosy/Czech Republic	CZK	57,837	100.00
Transportes Sul do Tejo S.A., Almada/Portugal	EUR	-2,507	99.99
TRANSURBANOS DE GUIMARAES TP, LDA, Guimaraes/Portugal	EUR	798	99.99
Trasporti Brescia Nord S.c.a.r.l., Brescia/Italy	EUR	100	91.99
Trasporti Brescia Sud S.c.a.r.l., Brescia/Italy	EUR	100	92.99
Trolebuses Coruna Carballo S.A., Ferrol/Spain	EUR	224	98.38
TUF-TRANSPORTES URBANOS DE FAMALICAO, LDA, Vila Nova de Famalicao/Portugal	EUR	-282	66.66
U Drive Rental Limited, Sunderland/Great Britain	GBP	0	100.00
Uddannelsescenteret for kollektiv trafik A/S, Kastrup/Denmark	DKK	21,599	100.00
United Automobile Services Limited, Sunderland/Great Britain	GBP	13,085	100.00
Upperchance Limited, Sunderland/Great Britain	GBP	0	100.00
Utbildningscenteret för kollektivtrafikken AB, Malmö/Sweden	SEK	4,702	100.00
Viajes Ideal S.L., Ferrol/Spain	EUR	3	100.00
Viking Tours and Travel Limited, Sunderland/Great Britain	GBP	242	100.00
VSK Bus 2007 A/S, Kastrup/Denmark	DKK	370,024	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC [1]	Ownership in %
West Riding Automobile Company Limited, Sunderland/Great Britain	GBP	0	100.00
XC Trains Limited, Sunderland/Great Britain	GBP	68,332	100.00
Yorkshire Bus Group Ltd, Sunderland/Great Britain	GBP	38,544	100.00
Yorkshire Bus Holdings Ltd, Sunderland/Great Britain	GBP	34,408	100.00
Yorkshire Woolen District Transport Co Limited, Sunderland/Great Britain	GBP	68	100.00
AT EQUITY			
Aquabus BV, Heerenveen/the Netherlands [2),3),4)]	EUR	4,050	50.00
Barraqueiro SGPS SA, Lisbon/Portugal [3)]	EUR	195,007	31.50
Bergamo Trasporti Sud Scarl, Bergamo/Italy [2),3)]	EUR	10	25.57
Bus Point Srl, Lallio (BG)/Italy [2)]	EUR	125	30.00
Centrebus Holdings Limited, Leicester/Great Britain [11)]	GBP	155	40.00
Estacion Autobuses de Pobra, Ferrol/Spain [4)]	EUR	9	33.33
Explotacion Gasoleos de la Coruna, s.l., Ferrol/Spain [4)]	EUR	98	40.00
EXTRA.TO S.c.a.r.l., Turin/Italy	EUR		30.01
Garda Trasporti Scarl, Desenzano del Garda (BS)/Italy [2),3)]	EUR	20	23.00
Great Park Bus Company Limited, Sunderland/Great Britain [11)]	GBP	0	50.00
Intercambiador de Transportes Principe PIO S.A., Madrid/Spain [2),3)]	EUR	9,362	30.00
KM S.P.A., Cremona/Italy [3)]	EUR	4,671	49.00
London Overground Rail Operations Limited, London/Great Britain [2),3)]	GBP	10,003	50.00
Omnibus partecipazioni S.R.L., Milan/Italy [2),3)]	EUR	7,835	50.00
Prometro S.A., Porto/Portugal [2),3),4)]	EUR	3,433	20.00
PTI (South East) Limited, Sunderland/Great Britain [11)]	GBP	238	20.00
Rodinform – Informatica Aplicada aos Transportes, SA, Lisbon/Portugal [11)]	EUR	182	20.00
S.I.T. VALLEE SOC. CONS. AR.L., Charvensod (AO)/Italy [2),3)]	EUR	100	20.00
S.T.I. Servizi Transporti Interregionali SpA, Cordenons PN/Italy	EUR		9.81
TPL FVG Scarl s.r.l., Gorizia/Italy [2),3)]	EUR	83	15.00
Trieste Trasporti S.P.A., Trieste/Italy [2)]	EUR	44,726	39.94
Union Ferrolana de Transportes S.A., Ferrol/Spain [5)]	EUR	2	50.00
Veroercombinatie Noord B.V., Heerenveen/the Netherlands [3)]	EUR	37	33.00
Viajeros del Eo, Ferrol/Spain [5)]	EUR	9	50.00
VT-Transman Szemelyszallito es Szolgaltato Kft, Szekesfehervar/Hungary [3)]	HUF	1,664.184	49.91

Subsidiary — Name and domicile	Currency	Equity in TLC [1]	Ownership in %
Wrexham, Shropshire & Marylebone Holdings Limited, London / Great Britain [2], [3]	GBP	14,878	50.00
DB SCHENKER RAIL			
FULLY CONSOLIDATED			
Activa Rail S.A., Madrid / Spain	EUR	649	77.32
ATG Autotransportlogistic Sp. z o.o., Malaszewicze / Poland	PLN	2,132	100.00
Autologistic Poland Sp. z o. o., Tychy / Poland	PLN	2,540	51.00
Auxiliar Logística de Vehiculos S.L., Saragossa / Spain	EUR	4	65.28
Axiom Rail (Cambridge) Limited, Doncaster / Great Britain	GBP	644	100.00
Axiom Rail (Stoke) Limited, Doncaster / Great Britain	GBP	-7,570	100.00
Axiom Rail Components Limited, Doncaster / Great Britain	GBP	-2,410	100.00
Axiom Rail SAS, Paris / France	EUR	-401	100.00
Boreal & Austral Railfreight Ltd, Doncaster / Great Britain	GBP	67,500	100.00
Compañía Aragonesa de Portacoches S.A., Saragossa / Spain	EUR	13,566	65.28
Container Szállítmányátrakó Állomás Kft., Györ / Hungary	EUR	105	100.00
Container-Terminal Púchov s. r. o., Púchov / Slovakia	EUR	287	100.00
Contiwaggon SA, Fribourg / Switzerland	CHF	10,593	77.32
Corridor Operations NMBS / SNCB DB Schenker Rail N.V., Brussels / Belgium	EUR	1,800	51.00
DB Intermodal Services GmbH, Mainz [2]	EUR	4,075	100.00
DB Polska Acquisition Sp. z.o.o, Warsaw / Poland	PLN	422,274	100.00
DB PORT SZCZECIN Sp. z o.o., Szczecin / Poland	PLN	13,547	93.40
DB Schenker BTT GmbH, Mainz [2]	EUR	2,062	100.00
DB Schenker Nieten GmbH, Freilassing [2]	EUR	3,992	100.00
DB Schenker Rail (UK) Limited, Doncaster / Great Britain	GBP	180,928	100.00
DB Schenker Rail Automotive GmbH, Kelsterbach [2]	EUR	11,781	100.00
DB Schenker Rail Bulgaria EOOD, Sofia / Bulgaria	BGN	2,589	100.00
DB Schenker Rail Corridor Operations GmbH, Mainz [2]	EUR	47	100.00
DB Schenker Rail Danmark Services A / S, Taastrup / Denmark	DKK	6,837	100.00
DB Schenker Rail Deutschland Aktiengesellschaft, Mainz [2]	EUR	473,029	100.00
DB Schenker Rail GmbH, Mainz [2]	EUR	651,560	100.00
DB Schenker Rail Italia S.r.L., Alessandria / Italy	EUR	13,415	100.00
DB Schenker Rail Italia Services S.r.l., Milan / Italy	EUR	656	100.00
DB Schenker Rail Nederland N. V., Utrecht / the Netherlands	EUR	-25,457	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC [1]	Ownership in %
DB Schenker Rail Polska S.A., Zabrze / Poland	PLN	696,300	100.00
DB Schenker Rail Romania S.R.L., Timisoara / Romania	RON	38,726	100.00
DB Schenker Rail Scandinavia A / S, Taastrup / Denmark	DKK	303,375	51.00
DB Schenker Rail Schweiz GmbH, Opfikon / Switzerland	CHF	1,092	100.00
DB Schenker Rail Slawkow S.A. i. L., Slawkow / Poland	PLN	1,820	100.00
DB Schenker Rail Spedkol Sp. z o.o., Kedzierzyn-Kozle / Poland	PLN	37,174	100.00
DB Schenker Rail Tabor S.A., Rybnik / Poland	PLN	27,144	100.00
Deutsche TRANSFESA GmbH Internationale Eisenbahn-Spezial-Transporte, Kehl / Rhein	EUR	1,145	77.32
Doker-Port Sp. z o.o., Szczecin / Poland	PLN	-333	58.38
DUSS Italia Terminal s.r.l., Verona / Italy	EUR	113	80.00
East & West Railway Ltd, Doncaster / Great Britain	GBP	0	100.00
Engineering Support Group Ltd, Doncaster / Great Britain	GBP	519	100.00
English Welsh & Scottish Railway Holdings Ltd, Doncaster / Great Britain	GBP	195,678	100.00
English Welsh & Scottish Railway International Ltd, Doncaster / Great Britain	GBP	-12,081	100.00
Euro Cargo Rail S.A., Madrid / Spain	EUR	-1,508	100.00
Euro Cargo Rail SAS, Paris / France	EUR	36,342	100.00
EW & S Trustees Ltd, Doncaster / Great Britain	GBP	0	100.00
EWS Information Services Ltd, Doncaster / Great Britain	GBP	986	100.00
Guga B.V., Amsterdam / the Netherlands	EUR	6,139	77.32
Infra Silesia S.A., Rybnik / Poland	PLN	8,957	100.00
LGP Lagerhausgesellschaft Pfullendorf mbH, Pfullendorf	EUR	266	49.08
Loadhaul Ltd, Doncaster / Great Britain	GBP	16,131	100.00
Locomotive 6667 Ltd, Doncaster / Great Britain	GBP	0	100.00
Logistic Center Hungaria Kft., Györ / Hungary	HUF	256,699	100.00
Logística Sanmival S.L., Burgos / Spain	EUR	418	57.99
Mainline Freight Ltd, Doncaster / Great Britain	GBP	21,266	100.00
Marcroft Holdings Ltd, Doncaster / Great Britain	GBP	-2,996	100.00
MDL Distribución y Logistica S.A., Madrid / Spain	EUR	3,263	77.32
MDL Servicios de Marketing y Logística S.A., Barcelona / Spain	EUR	115	77.32
Mitteldeutsche Eisenbahn GmbH, Schkopau [2]	EUR	1,953	80.00
New Locomotive Finance Ltd, Doncaster / Great Britain	GBP	0	100.00
NordCargo S.r.l, Milan / Italy	EUR	8,112	60.00
OOO Railion Russija Services, Moscow / Russia	RUB	60,213	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC [1]	Ownership in %
PRZEDSIEBIORSTWO INWESTYCYJNO-TECHNICZNE "INTECHKOP" Sp. z o.o., Kattowitz/Poland	PLN	403	71.75
Rail Express Systems Ltd, Doncaster/Great Britain	GBP	29,271	100.00
Rail Service Center Rotterdam B.V., Rotterdam/the Netherlands	EUR	9,032	100.00
Rail Terminal Services Limited, Doncaster/Great Britain	GBP	–2,191	100.00
Railway Approvals Ltd, Doncaster/Great Britain	GBP	255	100.00
Railway Investments Ltd, Doncaster/Great Britain	GBP	69,385	100.00
RBH Logistics GmbH, Gladbeck [2]	EUR	38,078	100.00
RES December Ltd, Doncaster/Great Britain	GBP	16,048	100.00
TGP Terminalgesellschaft Pfullendorf mbH, Pfullendorf	EUR	248	75.50
Transervi France S.A.S., Cerbère/France	EUR	191	77.32
Transervi S.A., Madrid/Spain	EUR	2,459	77.32
Transfesa Benelux S.P.R.L., Brussels/Belgium	EUR	194	77.32
Transfesa Distribución y Logistica S.L., Madrid/Spain	EUR	14,905	77.32
Transfesa France SAS, Gennevilliers/France	EUR	1,880	77.32
Transfesa Italia S.r.l., Milan/Italy	EUR	172	77.32
Transfesa Maritimo Terrestre, S.L., Cantabria/Spain	EUR	18	46.39
Transfesa Portugal Lda., Lisbon/Portugal	EUR	804	77.32
Transfesa UK Ltd., Rainham (Essex)/Great Britain	GBP	348	77.32
Transportes Ferroviarios Especiales S.A., Madrid/Spain	EUR	192,665	77.32
Transportes Jouchoux España S.L., Valencia/Spain	EUR	145	77.32
AT EQUITY			
ATN Auto Terminal Neuss GmbH & Co. KG, Neuss [2),4)]	EUR	7,114	50.00
Autoterminal Slask Logistic Sp. z o.o., Dabrowa Gornicza/Poland [4]	PLN	14,701	50.00
Autotrax Limited, Lufton/Great Britain	GBP		24.00
BLS Cargo AG, Bern/Switzerland [2),4)]	CHF	91,256	45.00
Cererail A.I.E., Madrid/Spain	EUR		25.77
Container Terminal Dortmund GmbH, Dortmund [2),4)]	EUR	2,868	30.00
Cross Baltic Terminaloperators (CBT) i. L., Szczecin/Poland	PLN		46.70
CTS Container-Terminal GmbH Rhein-See-Land-Service, Cologne [2]	EUR	1,598	22.50
DAP Barging B.V., Rotterdam/the Netherlands [2),3)]	EUR	2,297	55.00
DCH Düsseldorfer Container-Hafen GmbH, Düsseldorf [2]	EUR	377	51.00
Doerpener Umschlaggesellschaft für den kombinierten Verkehr mbH (DUK), Dörpen [2),4)]	EUR	3,843	35.00

Subsidiary — Name and domicile	Currency	Equity in TLC [1]	Ownership in %
EuroShuttle A/S i. L., Copenhagen/Denmark [2),9)]	DKK	17,302	27.08
Hansa Rail GmbH i. L., Frankfurt am Main [6]	EUR	260	50.00
Hispanauto – Empresas Agrupadas A.E.I.E.©, Madrid/Spain	EUR	0	58.04
INTERCONTAINER – INTERFRIGO SA i. L., Brussels/Belgium [2),10)]	EUR	–5,874	36.20
Intermodal Sea Solutions, S.L., Orejo-Cantabria/Spain	EUR		11.48
Kombiverkehr Deutsche Gesellschaft für kombinierten Güterverkehr mbH & Co. Kommanditgesellschaft, Frankfurt am Main [2),4)]	EUR	14,999	50.00
Lokomotion Gesellschaft für Schienentraktion mbH, Munich [2),3)]	EUR	6,804	30.00
METRANS a. s., Prague/Czech Republic	EUR	103,304	35.04
OFP La Rochelle Maritime Rail Services SAS, La Rochelle/France	EUR		24.90
Omfesa Logistica S.A., Madrid/Spain	EUR	–380	38.66
OPTIMODAL NEDERLAND B.V., Rotterdam/the Netherlands [2),6)]	EUR	300	24.34
PKV Planungsgesellschaft kombinierter Verkehr Duisburg mbH, Duisburg [2),4)]	EUR	1,071	50.00
POLZUG Intermodal GmbH, Hamburg [4]	EUR	6,728	33.33
Pool Ibérico Ferroviario A.I.E., Madrid/Spain	EUR	0	9.02
PORT HANDLOWY SWINOUJSCIE Sp. z o.o., Swinoujscie/Poland [2]	PLN	29,493	46.23
Rail Euro Concept SAS i. L., Levallois-Perret/France [2),6)]	EUR	193	50.00
Railmax B.V., Nijmegen/the Netherlands	EUR	87	38.66
Railmax C.V., Nijmegen/the Netherlands	EUR	0	38.28
SLASKIE CENTRUM LOGISTYKI S.A., Gliwice/Poland	PLN		21.86
Sociedad de Estudios y Explotacion Material Auxiliar de Transportes, S.A. ("SEMAT"), Madrid/Spain [2]	EUR	10,053	48.56
Stifa S.A. i. L., Malveira/Portugal	EUR	–85	38.66
Terminal Singen TSG GmbH, Singen [2),4)]	EUR	690	50.00
TFG Transfracht Internationale Gesellschaft für kombinierten Güterverkehr mbH & Co. KG, Frankfurt am Main	EUR	–9,199	50.00
TFG Verwaltungs GmbH, Frankfurt am Main [2]	EUR	127	50.00
Trans-Eurasia Logistics GmbH, Berlin [2),4)]	EUR	306	30.00
Vistula Rail Operator Sp. z o.o., Swiecie/Poland [2),3)]	PLN	1,430	50.00
Xrail S.A., Brussels/Belgium	EUR		32.41
ZAO Eurasia Rail Logistics i. L., Moscow/Russia [2),6)]	RUB	1,675	34.90
DB SCHENKER LOGISTICS			
FULLY CONSOLIDATED			
Air Terminal Handling S.A., Tremblay en France/France	EUR	–1,085	94.49
ALB Automative Logistica LTDA, Juiz de Fora – MG/Brazil	BRL	3,127	51.00
Anterist & Schneider GmbH, Saarbrücken [2]	EUR	7,028	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC [1)]	Ownership in %
Anterist + Schneider Automotive Service GmbH, Saarwellingen [2)]	EUR	2,412	100.00
Anterist + Schneider Logistik GmbH, Zwenkau	EUR	341	100.00
Anterist + Schneider Möbel-Logistik GmbH, Saarbrücken [2)]	EUR	85	100.00
Anterist + Schneider Zeebrugge B.V., Zeebrugge/Belgium	EUR	941	100.00
AS Schenker, Tallinn/Estonia	EUR	22,955	100.00
ASIMEX Anterist + Schneider Import - Export SAS, Stiring-Wendel/France	EUR	773	100.00
ATLANTIQUE EXPRESS SAS, Montaigu Cedex/France	EUR	357	99.91
BAX Global (Aust.) Pty Ltd., Alexandria/Australia	AUD	190	100.00
BAX Global (Israel) Ltd., Ramat Gan/Israel	ILS	-4,023	100.00
BAX Global (Malaysia) Sdn. Bhd., Petaling Jaya/Malaysia	MYR	-3,395	100.00
BAX Global (Pty.) Ltd., Johannesburg/South Africa	ZAR	30	100.00
BAX Global (Thailand) Limited, Bangkok/Thailand	THB	391,183	100.00
BAX Global (UK) Limited, London/Great Britain	GBP	7,979	100.00
BAX Global EPE Transportation Freight Forwarding & Logistics Solutions, Athens/Greece	EUR	52	100.00
BAX Global Holding, S.L.U., Barcelona/Spain	EUR	20,268	100.00
BAX Global Holdings Pty Ltd., Alexandria/Australia	AUD	0	100.00
BAX Global Inc., Irvine/Great Britain	USD	70,219	100.00
BAX Global Kft., Csor/Hungary	HUF	-40,005	100.00
BAX Global Limited, London/Great Britain	GBP	2,738	100.00
BAX Global Logistics (Shanghai) Co. Ltd., Shanghai/China	CNY	116,269	100.00
BAX Global Logistics Sdn. Bhd., Petaling Jaya/Malaysia	MYR	91,570	100.00
BEMI JOYAU SCI, Montaigu Cedex/France	EUR	96	99.94
Bischof Betriebsführungsgesellschaft mbH, Vienna/Austria	EUR	38	100.00
BTL AB, Göteborg/Sweden	SEK	2,109,495	100.00
BTL Nord GmbH, Lübeck [2)]	EUR	19,663	100.00
BTL Reinsurance S.A., Luxembourg/Luxembourg	SEK	43,882	100.00
DB Schenker FLLC, Minsk/Belarus	BYR	688,428	100.00
DP Schenker, Kiev/Ukraine	UAH	-13,603	100.00
ECO-Trucking GmbH, Coburg [2)]	EUR	0	100.00
ELAG Emder Lagerhaus und Automotive GmbH, Emden [2)]	EUR	1,361	100.00
ELSPED Speditions-Gesellschaft m.b.H., Hamburg [2)]	EUR	3,695	100.00
Engelberg Transportes Internacionales C.A. (Entra), Caracas/Venezuela	VEF	10,682	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC [1)]	Ownership in %
EVAG Emder Verkehrs und Automotive Gesellschaft mbH, Emden [2)]	EUR	1,320	100.00
EVB Handelshaus Bour GmbH, Landau in der Pfalz [2)]	EUR	25	100.00
Facility Plus B.V., Tilburg/the Netherlands	EUR	855	100.00
Fastighets Aktiebolaget Orbyn, Göteborg/Sweden	SEK	11,076	100.00
Fertrans AG, Buchs SG/Switzerland	CHF	1,326	100.00
FERTRANS d.o.o. za medunarodni prijevoz, Zagreb/Croatia	HRK	-1,279	100.00
H. Albrecht Speditions Gesellschaft mit beschränkter Haftung, Frankfurt am Main [2)]	EUR	0	100.00
HANGARTNER Terminal AG, Aarau/Switzerland	CHF	-377	100.00
HANGARTNER Terminal S.r.l., Verona/Italy	EUR	843	100.00
HB Zolldeklarationsservice GmbH, Vienny/Austria	EUR	181	100.00
Heck Slovensko s.r.o., Bratislava/Slovakia	EUR	91	100.00
Hemobat SA, Eupen/Belgium	EUR	1,885	100.00
Herber Hausner Süd-Ost Speditions-gesellschaft m.b.H., Vienna/Austria	EUR	406	100.00
Herber Hausner Szállítmányozási Kft., Budapest/Hungary	HUF	74,487	100.00
I.C.S. "Schenker" S.R.L, Chisinau/Moldova	MDL	-492	99.46
Intertec Asia Limited, Sheung Wan/Hong Kong	HKD	1,253	100.00
Intertec GmbH, Landau in der Pfalz [2)]	EUR	26	100.00
INTERTEC Polska Sp.zo.o., Nardarzyn/Poland	PLN	505	100.00
Intertec Retail Logistics GmbH, Landau in der Pfalz [2)]	EUR	26	100.00
Inter-Union Technohandel Gesellschaft m.b.H., Vienna/Austria [2)]	EUR	19	100.00
Inter-Union Technohandel GmbH, Landau in der Pfalz [2)]	EUR	26	100.00
Intreprinderea Mixta "S.C. Schenker" S.R.L., Chisinau/Moldova	MDL	2,715	96.69
Jean Heck Eupen, Transports et Logistique SA, Eupen/Belgium	EUR	3,742	100.00
Joyau S.A., Montaigu Cedex/France	EUR	17,125	99.94
Karpeles Flight Services (H.K.) Limited, Hong Kong/Hong Kong	HKD	-86	100.00
Karpeles Flight Services GmbH, Frankfurt am Main [2)]	EUR	1,694	100.00
KB Ädelgasen 1-Jönköping, Jönköping/Sweden	SEK	114,388	100.00
KB Älghunden Jönköping, Jönköping/Sweden	SEK	20,248	100.00
KB Älghunden 1-Jönköping, Jönköping/Sweden	SEK	28,334	100.00
KB Anholt 3, Stockholm/Sweden	SEK	9,203	100.00
KB Arbetsbasen 4-Stockholm, Stockholm/Sweden	SEK	42,384	100.00
KB Ättehögen Östra 1-Helsingborg, Helsingborg/Sweden	SEK	59,832	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC [1]	Ownership in %
KB Backa 107:3 -Göteborg, Göteborg / Sweden	SEK	128,113	100.00
KB Backa 107:4 -Göteborg, Göteborg / Sweden	SEK	33,707	100.00
KB Backa 107:5 -Göteborg, Göteborg / Sweden	SEK	27,585	100.00
KB Baggböle 2:35 -Umeå, Umeå / Sweden	SEK	21,486	100.00
KB Benkammen 12 -Malmö, Malmö / Sweden	SEK	118,467	100.00
KB Bleket 1 -Karlstad, Karlstad / Sweden	SEK	40,099	100.00
KB Distributören 3 och 4 -Örebro, Örebro / Sweden	SEK	79,493	100.00
KB Forsmark 2 -Stockholm, Stockholm / Sweden	SEK	63,979	100.00
KB Forsmark 3 -Stockholm, Stockholm / Sweden	SEK	159,424	100.00
KB Forsmark 5 Stockholm, Göteborg / Sweden	SEK	–305	100.00
KB Frysen 1 Visby, Visby / Sweden	SEK	16,392	100.00
KB Fryshuset 3-Visby , Visby / Sweden	SEK	813	100.00
KB Hajen 19 Göteborg, Göteborg / Sweden	SEK	39,850	100.00
KB Husby 4:2 -Sigtuna, Sigtuna / Sweden	SEK	4	100.00
KB Husby 6:7 -Sigtuna, Sigtuna / Sweden	SEK	1	100.00
KB Kolet 4 -Malmö, Malmö / Sweden	SEK	24,502	100.00
KB Köpmannen 10 -Västerås, Västerås / Sweden	SEK	34,536	100.00
KB Kungsängen 28:1 -Uppsala, Uppsala / Sweden	SEK	13,559	100.00
KB Langtradaren 2 -Borlänge, Borlänge / Sweden	SEK	33,986	100.00
KB Lertaget 1, Skara, Skara / Sweden	SEK	46,376	100.00
KB Malmö Hamnen 22 Malmö, Malmö / Sweden	SEK	65,891	100.00
KB Maskinen 3 -Linköping, Linköping / Sweden	SEK	57,880	100.00
KB Neonljuset 3 -Eskilstuna, Eskilstuna / Sweden	SEK	4,978	100.00
KB Önnestad 108:4 -Kristianstad, Kristianstad / Sweden	SEK	40,788	100.00
KB Överön 1:66 -Örnsköldsvik, Örnsköldsvik / Sweden	SEK	10,816	100.00
KB Pantern 1 -Växjö, Växjö / Sweden	SEK	36,825	100.00
KB Reläet 8 -Norrköping, Norrköping / Sweden	SEK	29,471	100.00
KB Sandstuhagen 3 -Stockholm, Stockholm / Sweden	SEK	26,578	100.00
KB Sörby 24:3 -Gävle, Gävle / Sweden	SEK	33,723	100.00
KB Storheden 1:8 -Luleå, Luleå / Sweden	SEK	28,259	100.00
KB Tingstadsvassen 31:3 -Göteborg, Göteborg / Sweden	SEK	44,802	100.00
KB Transporten 1 -Hultsfred, Hultsfred / Sweden	SEK	18,603	100.00
KB Transportören 1 -Värnamo, Värnamo / Sweden	SEK	82,321	100.00
KB Viken 3 -Karlshamn, Karlshamn / Sweden	SEK	11,584	100.00
KB Vindtrycket 1 -Borås, Borås / Sweden	SEK	62,524	100.00
KB Vivstamon 1:13 -Timrå, Timrå / Sweden	SEK	52,601	100.00
Kiinteistö Oy Ferryroad, Helsinki / Finland	EUR	464	100.00
Kiinteistö Oy Helsingin Metsäläntie 2 – 4, Helsinki / Finland	EUR	4,498	100.00
Kiinteistö Oy Kaakon Terminaali, Lappeenranta / Finland	EUR	124	100.00
Kiinteistö Oy Porin Kiitolinja, Björneborg / Finland	EUR	151	100.00
Kiinteistö Oy Reininkatu 9, Vaasa / Finland	EUR	28	100.00
Kiinteistö Oy Seinäjoen Kiitolinja-asema, Seinäjoki / Finland	EUR	124	100.00
Kiinteistö Oy Tampereen Rahtiasema, Tampere / Finland	EUR	401	100.00
Kiinteistö Oy Tir-Trans, Joentaustankatu / Finland	EUR	463	100.00
Kiinteistö Oy Turun Nosturinkatu 6, Turku / Finland	EUR	1,174	100.00
Kiinteistö Oy Varastohotelli, Vantaa / Finland	EUR	7,441	100.00
Kiinteistömaaliikenne Oy, Helsinki / Finland	EUR	1,865	54.70
Langtradaren i Jämtland AB, Göteborg / Sweden	SEK	5,823	100.00
Luxemburger Transport Logistik Diekirch S.A., Wilwerdange / Luxembourg	EUR	389	100.00
Nordisk Bilspedition AB, Göteborg / Sweden	SEK	25,558	100.00
Oy Schenker East AB, Helsinki / Finland	EUR	63,283	100.00
Rengaslinja Oy, Helsinki / Finland	EUR	269	100.00
Romtrans GmbH Internationale Speditionsgesellschaft i. L., Munich	EUR	0	99.46
Romtrans Holiday Ltd., Eforie Sud, Constanța / Romania	RON	–141	99.46
Scansped S.A., Mitry-Mory Cedex / France	EUR	1,260	99.99
Scanspol Sp.zo.o., Warsaw / Poland	PLN	2,956	99.62
Scantrans SAS, Rouen / France	EUR	1,031	99.99
SCHENKER & Co. AG, Vienna / Austria	EUR	166,300	100.00
Schenker (Asia Pacific) Pte. Ltd., Singapore / Singapore	SGD	252,927	100.00
Schenker (BAX) Europe Holding GmbH, Essen [2]	EUR	21,525	100.00
Schenker (BAX) Holding Corp., Delaware / USA	USD	137,614	100.00
Schenker (H.K.) Ltd., Hong Kong / Hong Kong	HKD	225,249	100.00
Schenker (Ireland) Ltd., Shannon / Ireland	EUR	14,554	100.00
Schenker (L.L.C), Dubai / United Arab Emirates	AED	21,067	60.00
Schenker (NZ) Ltd., Auckland / New Zealand	NZD	–1,084	100.00
Schenker (Thai) Holdings Ltd., Bangkok / Thailand	THB	53,150	100.00
Schenker (Thai) Ltd., Bangkok / Thailand	THB	1,160,120	100.00
Schenker A.E., Athens / Greece	EUR	546	100.00
Schenker A/S, Hvidovre / Denmark	DKK	138,722	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC [1]	Ownership in %
Schenker AB, Göteborg/Sweden	SEK	443,515	100.00
SCHENKER AIR TRANSPORT GmbH, Kelsterbach [2]	EUR	0	100.00
Schenker Akeri AB, Göteborg/Sweden	SEK	99,500	100.00
Schenker Aktiengesellschaft, Essen [2]	EUR	925,708	100.00
Schenker Argentina S.A., Buenos Aires/Argentina	ARS	−7,222	100.00
Schenker AS, Oslo/Norway	NOK	650,064	100.00
Schenker Australia Pty. Ltd., Alexandria/Australia	AUD	237,360	100.00
Schenker B.V., Tilburg/the Netherlands	EUR	18,777	100.00
SCHENKER BETEILIGUNGS GmbH & Co. OHG, Mülheim an der Ruhr	EUR	0	100.00
SCHENKER BETEILIGUNGS GmbH, Dortmund [2]	EUR	26	100.00
Schenker BITCC Customs Broker (Beijing) Co. Ltd., Beijing/China	CNY	1,108	70.00
Schenker BITCC Logistics (Beijing) Co., Ltd., Beijing/China	CNY	65,116	70.00
Schenker Cargo Oy, Turku/Finland	EUR	19,213	100.00
Schenker Chile S.A., Santiago/Chile	CLP	5,319,245	100.00
Schenker China Ltd., Pudong, Shanghai/China	CNY	1,430,346	100.00
Schenker Consulting AB, Göteborg/Sweden	SEK	12,793	100.00
Schenker Customs Agency B.V., Rotterdam/the Netherlands	EUR	5	100.00
Schenker d.d., Ljubljana/Slovenia	EUR	17,102	100.00
Schenker d.o.o., Belgrade/Serbia	RSD	52,460	100.00
SCHENKER d.o.o., Sarajevo/Bosnia and Herzegovina	BAM	702	100.00
Schenker d.o.o., Zagreb/Croatia	HRK	18,037	100.00
Schenker Dedicated Services AB, Göteborg/Sweden	SEK	18,911	100.00
Schenker Deutschland AG, Frankfurt am Main [2]	EUR	56	100.00
Schenker do Brasil Transportes Internacionais Ltda., São Paulo/Brazil	BRL	35,477	100.00
SCHENKER DOOEL, Skopje/Macedonia	MKD	32,049	100.00
Schenker Egypt Ltd., Cairo/Egypt	EGP	8	60.00
SCHENKER EOOD, Sofia/Bulgaria	BGN	8,122	100.00
Schenker Espana, S.A., Coslada (Madrid)/Spain	EUR	9,471	100.00
Schenker Filen 8 Aktiebolag, Göteborg/Sweden	SEK	3,831	100.00
Schenker High Tech Logistics B.V., Rotterdam/the Netherlands	EUR	20,213	100.00
Schenker Holdings (NZ) Limited, Auckland/New Zealand	NZD	1,819	100.00
SCHENKER INDIA PRIVATE LIMITED, Ne w Delhi/India	INR	1,730,387	100.00
Schenker International (HK) Ltd., Hong Kong/Hong Kong	HKD	1,966,196	100.00
Schenker International (Macau) Ltd., Macau/Macau	HKD	33,576	100.00
SCHENKER INTERNATIONAL AKTIENGESELLSCHAFT, Essen [2]	EUR	56	100.00
Schenker International B.V., Rotterdam/the Netherlands	EUR	14,889	100.00
Schenker International S.A. de C.V., Mexico City/Mexico	MXN	246,858	100.00
Schenker Ireland Holding Limited, Dublin/Ireland	EUR	23,752	100.00
Schenker Italiana S.p.A., Peschiera/Italy	EUR	62,402	100.00
Schenker Khimji's LLC, Muscat/Oman	OMR	250	60.00
Schenker Korea Ltd., Seoul/South Korea	KRW	34,644,931	100.00
Schenker Limited, London/Great Britain	GBP	32,438	100.00
Schenker Logistics (Chongqing) Co. Ltd, Chongqing/China	CNY	5,838	100.00
Schenker Logistics (Guangzhou) Company Ltd., Guangzhou/China	CNY	64,827	100.00
Schenker Logistics (Malaysia) Sdn Bhd., Kuala Lumpur/Malaysia	MYR	110,278	100.00
Schenker Logistics (Shanghai) Co., Ltd., Shanghai/China	CNY	24,100	100.00
Schenker Logistics (Shenzhen) Co. Ltd., Shenzhen/China	CNY	27,754	100.00
Schenker Logistics (Suzhou) Company Ltd., Suzhou/China	CNY	111,789	100.00
Schenker Logistics (Xiamen) Co. Ltd., Xiamen/China	CNY	45,244	100.00
Schenker Logistics AB, Göteborg/Sweden	SEK	31,055	100.00
Schenker Logistics Inc., Calamba City/the Philippines	PHP	11,050	100.00
Schenker Logistics LTD, Lod/Israel	ILS		100.00
Schenker Logistics, Inc., Greensboro, NC/USA	USD	22,504	100.00
Schenker Ltd., Nairobi/Kenya	KES	−33,566	100.00
SCHENKER LUXEMBURG GMBH, Leudelange/Luxembourg	EUR	455	100.00
Schenker Malaysia Sdn. Bhd., Kuala Lumpur/Malaysia	MYR	200	100.00
Schenker Maroc S.a.r.l., Casablanca/Morocco	MAD	18,457	99.99
Schenker Mauritanie SAS, Nouakchott/Mauritania	MRO	−428,717	99.99
Schenker Mauritius (Malaysian Holdings) Ltd., Port Louis/Mauritius	USD	35,936	100.00
Schenker Mauritius (Thai Holdings) Ltd., Port Louis/Mauritius	USD	33,153	100.00
Schenker Metafores A.G. i. L., Athens/Greece	EUR	786	100.00
Schenker Middle East FZE, Dubai/United Arab Emirates	AED	11,145	100.00
SCHENKER N.V., Antwerp/Belgium	EUR	26,674	100.00
Schenker Nederland B.V., Rotterdam/the Netherlands	EUR	242	100.00
Schenker Nemzetközi Szallitmanyozasi es Logisztikai Kft., Budapest/Hungary	HUF	2,776,743	100.00
Schenker NIGHT PLUS GmbH, Wülfrath [2]	EUR	0	100.00
Schenker North AB, Göteborg/Sweden	SEK	848,432	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC 1)	Ownership in %
Schenker of Canada Ltd., Toronto/Canada	CAD	105,080	100.00
Schenker OY, Helsinki/Finland	EUR	24,840	100.00
Schenker Peru S.R.L., Lima/Peru	PEN	5,955	100.00
Schenker Petrolog Utama, PT, Jakarta/Indonesia	USD	16,235	71.00
Schenker Philippines, Inc., Makati City/the Philippines	PHP	655,041	100.00
Schenker Privpak AB, Boras/Sweden	SEK	3,095	100.00
Schenker Privpak AS, Oslo/Norway	NOK	-13,475	100.00
Schenker Property Sweden AB, Göteborg/Sweden	SEK	134,201	100.00
Schenker Re Limited, Dublin/Ireland	EUR	54,416	100.00
Schenker Romtrans S.A., Bucharest/Romania	RON	372,085	99.46
Schenker Russia LLC, Moscow/Russia	RUB	689	100.00
Schenker S.A., Guatemala City/Guatemala	GTQ	-10,479	100.00
SCHENKER s.r.o., Bratislava/Slovakia	EUR	1,811	100.00
Schenker SA, Gennevilliers/France	EUR	95,979	99.99
Schenker Saudi Arabia LLC, Riad/Saudi Arabia	SAR	10,771	100.00
Schenker Schweiz AG, Zurich/Switzerland	CHF	87,095	100.00
Schenker Shared Services (Nanjing) Co. Ltd., Nanjing/China	CNY	3,709	100.00
Schenker Singapore (PTE) Ltd., International Forwarders, Singapore/Singapore	SGD	168,145	100.00
Schenker South Africa (Pty) Ltd., Isando/South Africa	ZAR	142,163	100.00
Schenker Sp.zo.o., Warsaw/Poland	PLN	229,371	99.62
SCHENKER spol. s r.o., Prague/Czech Republic	CZK	210,809	100.00
Schenker Transitarios, S.A., Loures/Portugal	EUR	3,633	100.00
Schenker Transport Aktiebolag, Göteborg/Sweden	SEK	70,771	100.00
Schenker Transport Groep B.V., Tilburg/the Netherlands	EUR	1,117	100.00
Schenker Vietnam Co., Ltd., Ho Chi Minh City (Saigon)/Vietnam	USD	6,170	51.00
Schenker Warehousing & Customs Brokerage (Xiamen) Co. Ltd., Xiamen/China	CNY	2,554	100.00
Schenker, Inc., New York/USA	USD	90,983	100.00
Schenker-Arkas Nakliyat Ve Tic. A.S., Zincirlikuyu/Turkey	TRY	39,532	55.00
Schenker-Gemadept Logistics Vietnam Company Limited, Binh Duong Province/Vietnam	USD	-402	51.00
SCHENKER-JOYAU SAS, Montaigu Cedex/France	EUR	21,933	99.94
Schenkerocean Ltd, Wanchai/Hong Kong	HKD	18,152	100.00
Schenker-Seino Co. Ltd., Tokyo/Japan	JPY	4,756,164	60.00
SIA Schenker, Riga/Latvia	LVL	2,260	100.00
SIA Sky Partners, Riga/Latvia	LVL	14	100.00
Sky Partners OÜ, Tallinn/Estonia	EUR	916	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC 1)	Ownership in %
SPAIN-TIR Transportes Internacionales S.A., Barcelona/Spain	EUR	131,674	100.00
Star Global (Shanghai) Ltd., Shanghai/China	CNY	455	100.00
Star Global International (HK) Ltd., Hong Kong/Hong Kong	HKD	-1,143	100.00
Star Global Services Limited, Hong Kong/Hong Kong	HKD	4,529	100.00
Stinnes (UK) Limited, Feltham, Middlesex/Great Britain	GBP	21,913	100.00
Stinnes Danmark A/S, Hvidovre/Denmark	DKK	120,433	100.00
Stinnes Immobiliendienst GmbH & Co. KG, Mülheim an der Ruhr	EUR	6,957	100.00
SW Zoll-Beratung GmbH, Dortmund	EUR	2,577	100.00
TEGRO AG, Schwerzenbach/Switzerland	CHF	13,260	90.00
TLS Transa Logistik & Service GmbH, Offenbach am Main 2)	EUR	268	100.00
Trafikaktiebolaget NP Kagström, Göteborg/Sweden	SEK	2,154	100.00
TRANSA Spedition GmbH, Offenbach am Main 2)	EUR	13,339	100.00
Transorient SA, Bucharest/Romania	RON	2,917	53.71
Transport Gesellschaft mbH, Hamburg	EUR	541	96.70
Transworld Asig - Broker de Asigurare Ltd., Bucharest/Romania	RON	278	99.46
Trilag Geschäftsführungs GmbH, Trier 2)	EUR	0	100.00
UAB "Schenker," Vilnius/Latvia	LTL	4,311	100.00
Viktor E. Kern Gesellschaft m.b.H., Vienna/Austria	EUR	1,313	100.00
ZAO Schenker Russija, Moscow/Russia	RUB	22,984	100.00
ZAO Schenker, Moscow/Russia	RUB	-5,169	100.00
Zweite Kommanditgesellschaft Stinnes Immobiliendienst GmbH & Co., Mülheim an der Ruhr	EUR	109,960	100.00
AT EQUITY			
ATS Air Transport Service AG, Zurich/Switzerland 3)	CHF	5,586	26.00
Autoport Emden GmbH, Emden	EUR	86	33.30
Bäckebols Akeri AB, Hisings Backa/Sweden 3)	SEK	51,976	35.00
BTU - Bilspedition Transportörer Utvecklings AB, Solna/Sweden	SEK	7,111	50.00
DASH Global Logistics SAS, Saint Julien/France	EUR	43	50.00
Express Air Systems GmbH (EASY), Kriftel 3)	EUR	3,680	50.00
Gardermoen Perishables Center AS, Gardermoen/Norway 3)	NOK	3,677	33.30
Germans Corbalan & Alvarez, S.L., Manresa (Barcelona)/Spain 3)	EUR	569	20.00
Halmstadsakarnas Fastighets AB, Halmstad/Sweden 3)	SEK	17,544	31.44
I.M. "Moldromukrtrans" S.R.L., Chisinau/Moldova 3)	MDL	17,275	33.15
Immo Fumeron S.A.R.L., Arnage/France	EUR	352	27.98

Subsidiary — Name and domicile	Currency	Equity in TLC [1)]	Ownership in %
LogCap-IR Grundverwertungsgesellschaft mbH, Vienna/Austria	EUR	4,733	49.00
Speditionsbau und Verwertungsgesellschaft m.b.H., Salzburg/Austria [4)]	EUR	52	25.00
Titan Containers Romania SRL, Constanţa/Romania [3)]	RON	42	19.89
Trans Jelabel S.L., Aldeamayorde S Martin/Spain [3)]	EUR	217	20.00
Transatlantic Shipping and Trading SRL, Bucharest/Romania [3)]	RON	1,282	49.73
Värnamo Akeri AB, Värnamo/Sweden [3)]	SEK	14,514	50.00
Volla Eiendom AS, Oslo/Norway	NOK	11,037	50.00
DB SERVICES			
FULLY CONSOLIDATED			
DB Dienstleistungen GmbH, Berlin [2)]	EUR	618,690	100.00
DB Fahrzeuginstandhaltung GmbH, Frankfurt am Main [2)]	EUR	180,575	100.00
DB FuhrparkService GmbH, Frankfurt am Main [2)]	EUR	3,644	100.00
DB Kommunikationstechnik GmbH, Berlin [2)]	EUR	4,549	100.00
DB Rent GmbH, Frankfurt am Main [2)]	EUR	32	100.00
DB Services GmbH, Berlin [2)]	EUR	6,039	100.00
DB Sicherheit GmbH, Berlin [2)]	EUR	1,101	100.00
DB Systel GmbH, Frankfurt am Main [2)]	EUR	182,108	100.00
DB Waggonbau Niesky GmbH, Niesky	EUR	12,571	100.00
AT EQUITY			
Leipziger Servicebetriebe (LSB) GmbH, Leipzig [2),4)]	EUR	285	49.00
DB NETZE TRACK			
FULLY CONSOLIDATED			
DB Bahnbau Gruppe GmbH, Berlin [2)]	EUR	26,259	100.00
DB Fahrwegdienste GmbH, Berlin [2)]	EUR	2,545	100.00
DB Netz Aktiengesellschaft, Frankfurt am Main [2)]	EUR	7,344,323	100.00
DB RegioNetz Infrastruktur GmbH, Frankfurt am Main [2)]	EUR	1,564	100.00
Deutsche Umschlaggesellschaft Schiene - Straße (DUSS) mbH, Bodenheim am Rhein [2)]	EUR	2,895	87.50
AT EQUITY			
EEIG Corridor Rotterdam-Genoa EWIV, Frankfurt am Main [2),6)]	EUR	0	33.33
Güterverkehrszentrum Entwicklungs-gesellschaft Dresden mbH, Dresden [2),3)]	EUR	1,861	24.53
MegaHub Lehrte Betreibergesellschaft mbH, Hanover [2),3)]	EUR	315	29.17
TKN Terminal Köln-Nord GmbH, Cologne [2),4)]	EUR	25	42.88
TriCon Container-Terminal Nürnberg GmbH, Nuremberg [2),4)]	EUR	544	21.88
DB NETZE STATIONS			
FULLY CONSOLIDATED			
DB BahnPark GmbH, Berlin	EUR	3,102	51.00
DB Station & Service Aktiengesellschaft, Berlin [2)]	EUR	1,487,555	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC [1)]	Ownership in %
AT COST			
Immobilien-Vermietungsgesellschaft Schumacher & Co Objekt Bahnhöfe Deutschland KG, Düsseldorf [2),4)]	EUR	-21,099	100.00
TUDO Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Bahnhöfe KG Düsseldorf, Düsseldorf [2),4)]	EUR	-2,101	100.00
DB NETZE ENERGY			
DB Energie GmbH, Frankfurt am Main [2)]	EUR	696,603	100.00
OTHER SUBSIDIARIES			
FULLY CONSOLIDATED			
AMEROPA-REISEN GmbH, Bad Homburg v. d. Höhe [2)]	EUR	2,709	100.00
CLG Lagerhaus GmbH i. L., Mannheim	EUR	-1,192	100.00
DB (UK) Investments Limited, Sunderland/Great Britain	GBP	935,159	100.00
DB (UK) Logistics Holdings Limited, Doncaster/Great Britain	GBP	1,880,044	100.00
DB Akademie GmbH, Potsdam [2)]	EUR	6,039	100.00
DB Belgie Holding BVBA, Antwerp/Belgium	EUR	37,420	100.00
DB Czech Holding s.r.o., Rudna/Czech Republic	CZK	195	100.00
DB Danmark Holding ApS, Hvidovre/Denmark	DKK	223,946	100.00
DB Dialog Telefonservice GmbH, Berlin [2)]	EUR	982	100.00
DB France Holding SAS, Gennevilliers Cedex/France	EUR	538,304	100.00
DB Gastronomie GmbH, Frankfurt am Main [2)]	EUR	946	100.00
DB Hungaria Holding Kft., Budapest/Hungary	HUF	11,147,441	100.00
DB International GmbH, Berlin [2)]	EUR	31,819	100.00
DB International USA, Inc., Delaware/USA	USD	107	100.00
DB JobService GmbH, Berlin [2)]	EUR	551	100.00
DB Media & Buch GmbH, Kassel [2)]	EUR	26	100.00
DB Mobility Logistics AG, Berlin [2)]	EUR	2,709,172	100.00
DB Nederland Holding B.V., Utrecht/the Netherlands	EUR	49,186	100.00
DB Polska Holding Sp.z.o.o, Warsaw/Poland	PLN	1,319,167	100.00
DB ProjektBau GmbH, Berlin [2)]	EUR	26,494	100.00
DB Schweiz Holding AG, Zug/Switzerland	CHF	85,593	100.00
DB Services Immobilien GmbH, Berlin [2)]	EUR	-819	100.00
DB Systemtechnik GmbH, Minden	EUR	4,544	100.00
DB UK Holding Limited, Doncaster/Great Britain	GBP	1,884,770	100.00
DB US Corporation, Tarrytown/USA	USD	438,383	100.00
DB US Holding Corporation, Tarrytown/USA	USD	464,444	100.00
DB Vertrieb GmbH, Frankfurt am Main [2)]	EUR	8,848	100.00
DB Zeitarbeit GmbH, Berlin [2)]	EUR	-183	100.00
Deutsche Bahn Aktiengesellschaft, Berlin	EUR	15,982,867	100.00
Deutsche Bahn Finance B.V., Amsterdam/the Netherlands	EUR	35,153	100.00

Subsidiary — Name and domicile	Currency	Equity in TLC [1]	Ownership in %
Deutsche Bahn France Voyages & Tourisme SARL, Paris / France	EUR	223	100.00
Deutsche Bahn Iberica Holding, S.L., Barcelona / Spain	EUR	183,391	100.00
Deutsche Bahn Romania Holding S.R.L., Bucharest / Romania	RON	333	100.00
Deutsche Industrieholz GmbH, Essen	EUR	1,142	29.15
DVA Deutsche Verkehrs-Assekuranz-Vermittlungs-GmbH, Bad Homburg [2]	EUR	2,081	65.00
DVA Marine Re S.A., Luxembourg / Luxembourg	EUR	4,980	65.00
DVA REINSURANCE LIMITED, Dublin / Ireland	EUR	5,586	65.00
Frank & Schulte GmbH, Essen	EUR	26	100.00
GI-Consult Geo Information Consult GmbH, Berlin	EUR	2,532	50.00
GI-CONSULT GEO INFORMATION CONSULT Polska Sp.zo.o. i. L., Warsaw / Poland	EUR	0	50.00
Grundstückspool Potsdam Center GbR mbH, Berlin	EUR		70.00
HD ocel s.r.o., Prague / Czech Republic	CZK	– 9,225	100.00
HEROS Rail Rent GmbH, Fürth [12]	EUR	3,433	2.00
Mataki Kemi AB, Malmö / Sweden	SEK	19,113	100.00
Precision National Plating Services, Inc., Delaware / USA	USD	–15,872	100.00
Schenker International AB, Göteborg / Sweden	SEK	1,138,422	100.00
Stinnes Beteiligungs-Verwaltungs GmbH, Essen [2]	EUR	175,181	100.00
Stinnes Handel GmbH & Co. Beteiligungs OHG, Essen	EUR	– 92	100.00
Stinnes Holz GmbH, Essen	EUR	422	53.00
Stinnes Logistics GmbH, Essen [2]	EUR	2,743	100.00
Stinnes Montan Gesellschaft mit beschränkter Haftung i. L., Essen	EUR	182	100.00
Stinnes ocel s.r.o., Prague / Czech Republic	CZK	2,048	100.00
UBB Polska Sp.z o.o., Swinemünde / Poland	PLN	237	100.00
UBB Usedomer Bäderbahn GmbH, Heringsdorf [2]	EUR	2,447	100.00
Unterstützungskasse der Firma H.M. Gehrckens Gesellschaft mit beschränkter Haftung, Hamburg	EUR	203	100.00
Vienna Consult Verkehrsberatungs-gesellschaft mbH i. L., Vienna / Austria	EUR	34	100.00
AT EQUITY			
ALSTOM Lokomotiven Service GmbH, Stendal [2),3]	EUR	17,552	49.00
BahnflächenEntwicklungsGesellschaft NRW mbH, Essen [2),3]	EUR	251	49.90
Beijing HuaJing DeBo International Engineering Consulting Co., Ltd, Beijing / China	CNY		25.00
BwFuhrparkService GmbH, Troisdorf [2),4]	EUR	133,282	24.90
CD-DUSS Terminal, a.s., Lovosice / Czech Republic [2),3]	CZK	6,281	49.00
Elevator-Gesellschaft mit beschränkter Haftung, Hanover [2),4]	EUR	237	50.00
EUROFIMA Europäische Gesellschaft für die Finanzierung von Eisenbahnmaterial, Basel / Switzerland [2]	CHF	1,480.397	22.60
Innovationszentrum für Mobilität und gesellschaftlichen Wandel (InnoZ) GmbH, Berlin [2),5]	EUR	54	50.40
Qatar Railways Development Company, Doha / Qatar	QAR		49.00
Rail Technology Company Limited, Jeddah / Saudi Arabia [4]	SAR	1,132	24.90
SSG Saar-Service GmbH, Saarbrücken [2),4]	EUR	1,385	25.50
AT COST			
TREMA Grundstücks-Vermietungsgesell-schaft mbH & Co. Objekt Bahnhöfe West KG, Berlin [2),4]	EUR	4,133	94.00
TRENTO Grundstücks-Vermietungsgesell-schaft mbH & Co. Objekt Bahnhöfe Ost KG, Düsseldorf [2),4]	EUR	–229	100.00

1) IFRS data.
2) Local GAAP data.
3) Preliminary data.
4) Data: 2010 financial year.
5) Data: 2009 financial year.
6) Data: 2008 financial year.
7) Data: 2007 financial year.
8) Data: 2006 financial year.
9) Data: 2005 financial year.
10) Data: Final liquidation balance sheet as of September 30, 2010.
11) Data: Interim balance sheet 2004.
12) Inclusion in the consolidated financial statements according to SIC-12 (Consolidation – Special Purpose Entities).

REPORT OF THE SUPERVISORY BOARD

PROFESSOR DR. DR.
UTZ-HELLMUTH FELCHT
Chairman of the Supervisory Board of Deutsche Bahn AG

In the year under review, the Supervisory Board observed all of the responsibilities incumbent upon it by virtue of the law, the company's Articles of Association and its bylaws. It extensively advised and supervised the Management Board in the management of the company and its business operations. The Management Board reported regularly, without delay and in detail to the Supervisory Board regarding corporate planning and the business, strategic and financial development of Deutsche Bahn AG (DB AG) and its subsidiaries. All significant business events were discussed by the full Supervisory Board and the responsible committees based on Management Board reports. Significant deviations in the actual business development were explained by the Management Board and examined by the Supervisory Board. The Chairman of the Supervisory Board maintained close contact at all times with the Management Board Chairman, who regularly reported on the latest business developments at DB AG, upcoming business decisions and risk management. The Supervisory Board was involved in all decisions of fundamental significance for DB AG.

Supervisory Board meetings

In the year under review, the Supervisory Board met for four ordinary meetings and one extraordinary meeting. Three Supervisory Board members fully participated in less than half of the meetings held in the year under review. In two cases, resolutions were adopted by written ballot. Meetings of the Executive Committee, the Personnel Committee and the Audit and Compliance Committee were held in preparation for the Supervisory Board meetings.

The main issues discussed in the plenary meetings were the development of the company's revenues, profit and employment situation, as well as significant capital expenditure, equity investment and divestment projects. The Supervisory Board additionally discussed the strategies of DB Group and of the individual Group divisions at its meetings. The Supervisory Board devoted several meetings to addressing the situation concerning the major Stuttgart 21 project. Additionally, the Supervisory Board heard numerous reports during the year under review on weather-related disruptions affecting train operation and measures taken by the Group to minimize these, as well as on the progress made on the integration of Arriva plc into DB Group following its acquisition in 2010. The extraordinary Supervisory Board meeting held in April was primarily devoted to advising on the planned purchase of ICx trains, which the Supervisory Board approved. The Supervisory Board also extensively addressed the late delivery of ordered rolling stock for regional and long-distance transport, the operational and financial consequences thereof on rail passenger transport, potential damage claims against vehicle manufacturers, and damages in connection with potential collusion among rail suppliers. In December, the Supervisory Board discussed DB Group's mid-term planning for the years 2012 to 2016 and approved the DB Group budget for the 2012 financial year and its capital expenditure planning.

Meetings of the Supervisory Board committees

The Supervisory Board has established four permanent committees to facilitate its work and increase its efficiency. The Supervisory Board's Executive Committee met four times in the year under review and was in regular contact with the Management Board regarding all major business policy issues. In its meetings, it focused in particular on preparing the focal topics for each of the Supervisory Board meetings.

The Audit and Compliance Committee met five times during the year under review and held a teleconference, addressing in particular the quarterly and half-year financial statements, the review findings concerning these, and the half-yearly review of major capital expenditure projects. Other issues included the forecast for 2011 and DB Group mid-term planning for the years 2012 to 2016. The Audit and Compliance Committee heard reports on the progress of, and ongoing costs connected with, the major Stuttgart 21 project, on the strategy of DB Schenker and on acquisition-related developments, particularly concerning DB Arriva. In one meeting, the committee discussed in detail the status quo of the Group's internal labor market. It also addressed changes to corporate governance necessitated by the German Accounting Law Modernization Act (BilMoG), changes in accounting principles and to the internal controlling system, and prepared and evaluated the regular efficiency review conducted by the Supervisory Board in the year under review. The Audit and Compliance Committee also heard reports on the hiring of an auditor for the financial statements, on internal audit findings, and on compliance-related investigations.

The Chairman of the Audit and Compliance Committee was in regular contact with the Chief Financial Officer and the external auditor, and reported regularly and in detail on the committee's work to the full Supervisory Board.

The Personnel Committee met six times in the year under review to prepare Management Board-related matters for discussion by the Supervisory Board. One particular matter was preparation of a peer group comparison for the Management Board's long-term incentive program, which the Supervisory Board adopted in March 2011. The Personnel Committee also prepared data concerning the Management Board members' performance target attainment and the Management Board's performance target agreements for the year under review.

The Mediation Committee established in accordance with Article 27 (3) of the German Codetermination Act (MitbestG) did not have occasion to meet in the year under review.

Corporate governance

During the year under review, the Management Board and Supervisory Board again considered the further development of corporate governance. In a Cabinet decision on July 1, 2009, the German Federal Government adopted the Public Corporate Governance Code. The Public Corporate Governance Code outlines key provisions of applicable law governing the management and supervision of unlisted companies in which the Federal Government holds a majority stake, and internationally and nationally recognized standards for proper and responsible corporate governance. The Supervisory Board dealt extensively with application of the Public Corporate Governance Code within DB Group and adopted the necessary resolutions. The Supervisory Board also reviewed the efficiency of its own activities during the year under review, discussing its findings in the meeting held on December 14, 2011.

Annual financial statements

The annual financial statements and management report for DB AG and the consolidated financial statements and Group management report for the period ending on December 31, 2011, as prepared by the Management Board were audited and awarded an unqualified audit opinion by Pricewaterhouse-Coopers AG Wirtschaftsprüfungsgesellschaft (PwC), the auditor appointed by resolution at the Annual General Meeting. The auditor also reviewed the risk management system as part of the annual audit of the financial statements, noting no objections.

The auditor's report was reviewed by the Audit and Compliance Committee in its meeting held on March 26, 2012, and was discussed in full at the Supervisory Board's financial statements meeting held on March 28, 2012, in the presence of the auditors who signed the audit reports. The auditors reported on the salient audit findings and were available to answer questions. The Supervisory Board concurred with the audit findings.

The Supervisory Board reviewed the annual financial statements and management report of DB AG, the consolidated financial statements and Group management report for the year under review, and the proposal for the appropriation of profits, noting no objections. The DB AG financial statements for the 2011 financial year were approved and thereby adopted.

The auditor additionally reviewed the report on relations with affiliated companies prepared by the Management Board. The auditors issued an unqualified audit opinion and reported on their audit findings.

The Supervisory Board also reviewed this report, raising no objections concerning the Management Board's concluding declaration contained in the report or the audit conducted by PwC.

Supervisory Board and Management Board membership changes

There were no Supervisory Board or Management Board membership changes in the year under review.

At a meeting on December 14, 2011, the Supervisory Board reappointed Dr. Volker Kefer to the DB AG Management Board for another five-year term, effective September 9, 2012. Dr. Kefer will retain Management Board responsibility for the Rail Technology and Services division and the Infrastructure division.

The Supervisory Board would like to thank the members of the Management Board and the Supervisory Board for their dedication and constructive work in the interests of the company.

The Supervisory Board would also like to thank the Management Board, the employees and the works council representatives of DB AG and its affiliated companies for their achievements in the year under review.

Berlin, March 2012

For the Supervisory Board

Professor Dr. Dr. Utz-Hellmuth Felcht
Chairman of the Supervisory Board
of Deutsche Bahn AG

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