Mobility
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Interim Results Press Conference 2012

Deutsche Bahn AG
DB Mobility Logistics AG

Speech of Dr. Richard Lutz
CFO

Berlin, July 26, 2012

- The spoken word takes precedence. -

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Ladies and Gentlemen,

I too would like to welcome you to today's Interim Results Press Conference. As already announced by Dr. Grube, I shall take you through the **economic development** of DB Group in the first half of 2012 in the following presentation.

And permit me to say one thing in advance: I am pleased to be able to again present good figures to you - figures which almost speak for themselves.

My **presentation** comprises the usual **three parts:**

(1) I wish first of all to provide you with an **overview** of the **key figures** of the first half of 2012.

(2) In a second section, we will consider in greater detail the development of the **key figures of DB Group** such as revenues, profits, capital expenditures and value management figures.

(3) And finally, I will consider our current **outlook for the whole of 2012**.

Before I consider the figures for the first half of 2012, I would like first of all to explain the **three core messages** of my presentation.

(1) Although the economic climate has become more difficult, **DB Group continues to grow, and this growth is profitable.** We can again see that our business units in Passenger Transport and in Infrastructure are proving to be extremely robust even in times of economic weakness. This confirms the **balanced nature of our Group portfolio.**

(2) DB Group continues to stand for **financial stability and reliability**. This is also the perception of rating agencies and investors alike, and is impressively demonstrated by the further confirmation of our ratings and our ability to tap the capital market in the first half 2012 subject to extremely attractive conditions.

(3) Despite the deteriorating economic climate, we still expect that DB **Group will continue to post a positive performance in the whole of 2012,** and that we will see an improvement in all major figures compared with the previous year. With the value management figures, we will take a major step in the direction of meeting our objectives.

I shall now come to the first part of my presentation. Our overall economic performance in the first half of 2012 has been **very positive.** This can be seen if we look at our key financials.

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H1 2012 – At a Glance

Favorable development in H1 2012

Key figures (€ mn)	H1 2011	H1 2012	Change €	Change %
Revenues	18,876	19,492	+ 616	+ 3.3
Revenues comparable	18,876	19,220	+ 344	+ 1.8
EBIT adjusted	1,133	1,321	+ 188	+ 16.6
Net profit	648	794	+ 146	+ 22.5
Gross capital expenditures	2,689	3,038	+ 349	+ 13.0
Net capital expenditures	1,049	1,408	+ 359	+ 34.2
Net financial debt as of Jun 30, 2012/ Dec 31, 2011	16,592	16,954	+ 362	+ 2.2
ROCE (%)	7.2	8.1	-	-

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This has been due particularly to the development in **Passenger Transport.** The business units in Passenger Transport have again proved to be one of the key **pillars in our group portfolio** in economically more difficult times, and have made a considerable contribution to our profitable growth in the first half of 2012.

The impetus from the **economic development has weakened appreciably.** Nevertheless, a glance at the **key financials** shows that we are again able to look back on a development which has overall been positive in the first half of 2012:

- In terms of **revenues**, we were able to achieve further growth of 3.3%in the first half of 2012.

- **On a comparable basis,** in other words adjusted by effects from changes in the scope of consolidation and currency exchange rates, there is revenue growth of 1.8% on the bottom line. This revenue growth is attributable particularly to passenger transport and mainly to long-distance transport with growth of almost 8%. On the other hand, the growth in comparable revenues in the two business units of DB Schenker was relatively moderate: International logistics has reported growth of only around 1%, and European rail freight on a comparable basis was slightly lower than the revenue figure reported for the first half of 2011.

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- It is all the more satisfying that the weaker rate of growth in revenues has not been reflected in profits. **Adjusted EBIT** has increased by almost 190 million euros or 16.6%. Growth has been reported particularly for Passenger Transport and Infrastructure. This has again demonstrated the stability and robust nature of our business model.

- **Net profit** has increased by almost 23% to 794 million euros.

- In addition, we have considerably expanded our **capital expenditures activities.** This growth is attributable exclusively to an increase in net capital expenditures, in other words capital expenditures out of DB funds. Rail infrastructure and Germany were again key areas of our capital expenditures.

- **Net financial debt** has increased somewhat compared with the end of 2011. This is a seasonal development, which we also saw in the first half of 2011. This was due mainly to higher net capital expenditures and the dividend of 525 million euros which was paid in the second quarter. However, I am still assuming that net financial debt at the end of 2012 will be roughly in line with the corresponding previous year figure, namely around 16.6 billion euros.

- Our value management figures are showing a positive development. For instance, we have also been able to improve our **return on capital employed (ROCE)** from 7.2% to 8.1%. We have not yet arrived at our destination, but we are clearly moving in the right direction.

And this now brings me to the **second part of my presentation.**

Let us first look at the **development in revenues**:

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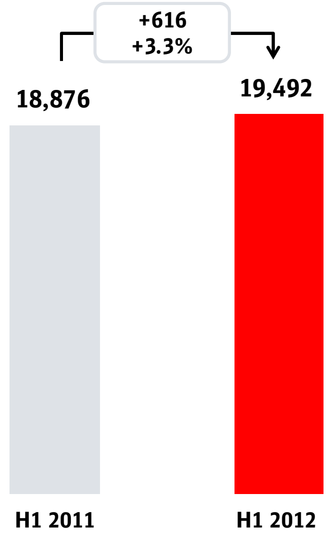
H1 2012 – Revenues

DB Group continues on growth path

Revenues (€ mn)



Highlights

DB Group

- Changes in scope of consolidation +0.3%
- FX-effects +1.2%
- Growth on a comparable basis +1.8%
- Weak business environment, in particular for DB Schenker business units

Business units

- DB Schenker Logistics € +249 mn (+3.3%); on a comparable basis only +1.0%
- DB Schenker Rail on level of H1 2011
- DB Bahn Long-Distance € +144 mn (+7.9%)
- DB Arriva € +140 mn (+8.6%)

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Reported revenue growth in the first half of 2012 amounted to around 620 million euros or 3.3%. Whereas the effects of changes in the scope of consolidation were minor at around 50 million euros or 0.2%, positive exchange rate effects resulting from the Euro weakness have made a further major contribution to revenue growth of approximately 220 million euros or 1.2%.

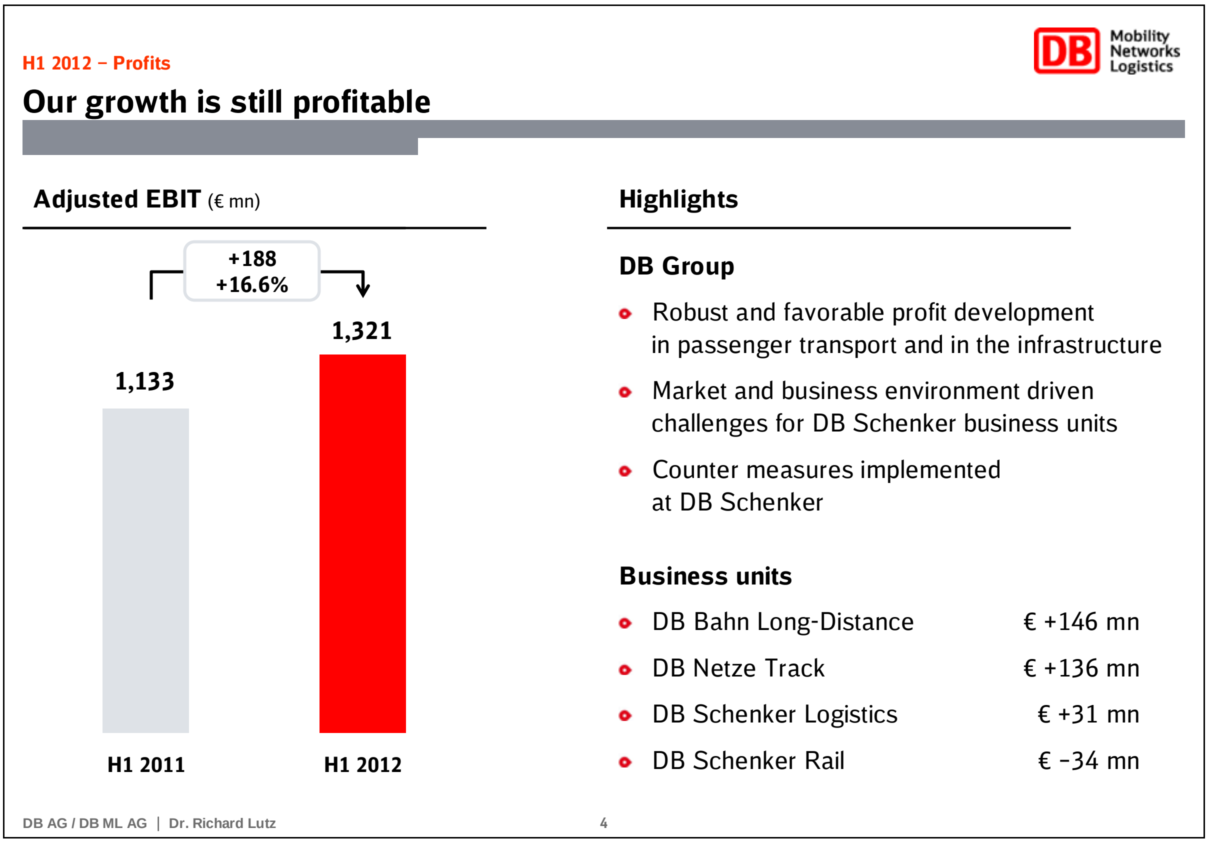
If these effects are adjusted, there has been a increase in comparable revenues of 344 million euros or 1.8%. In terms of percentage revenue growth, we are thus roughly in line with the figure reported for the second half of 2011, where growth in comparable revenues was reported as 1.7%. The weak economic climate in the second half of 2011 has thus also continued in the first half of 2012. On the other hand, the first half of 2011 was characterized by positive economic impetus and comparable revenue growth of 7.3%.

At the level of the business units, the strongest growth in absolute terms, namely approximately 250 million euros or 3.3%, was reported by the business unit DB Schenker Logistics. On a comparable basis, this increase however declines to only +1.0% due mainly to exchange rate factors. The weak economic climate is also reflected in the business unit DB Schenker Rail, where revenues are roughly unchanged compared with last year.

There has been a very positive performance in passenger transport and in particular in long-distance transport. Growth in the business unit DB Bahn Long-Distance was 144 million euros or approximately 8%, whereby around 5% was mainly due to stronger transport performance. Constantly good operating quality and stable punctuality figures in conjunction with strong customer satisfaction have been valuable in this respect.

The business unit DB Arriva has also continued its profitable growth, with a gain of 140 million euros or 8.6%.

The following chart demonstrates the fact that the revenue growth detailed above and our ongoing focus on the development in costs have also had a positive impact on the **development in profits:**



In the first half of 2012, **adjusted** EBIT has increased by almost 190 million euros to 1,321 million euros. As was the case last year, there has overall been hardly any impact of **special items,** so that the adjustments which have been made were minor.

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The positive development in profits is due particularly to the business units in Passenger Transport and Infrastructure. In the business units of DB Schenker, the much weaker economic climate has acted as an obstacle to any significant improvement in profits. Growth in profits at DB Schenker Logistics is opposed by declines at DB Schenker Rail. Countermeasures have already been initiated in both business units. We are assuming that in particular the structural measures at DB Schenker Rail will have an impact in the second half of 2012, and that initial positive effects will become evident. Two developments in particular have to be highlighted with regard to the other business units:

- At **DB Bahn Long-Distance,** there has been very strong growth of 146 million euros compared with the first half of 2011. This positive development is due to the increase in revenues, which is attributable mainly to volume-related factors, as well as well-thought-out cost management. The business unit has accordingly provided a very impressive demonstration that product quality and cost-effectiveness are not contradictory factors. On the contrary: The stronger performance in terms of revenues and profits is associated with much improved figures for punctuality and customer satisfaction, and the robust nature and stability in our operations have also been boosted.

- There has also been a positive development in profits at the business unit **DB Netze Track,** where adjusted EBIT has improved by 136 million euros. This is mainly attributable to growth in revenues, higher real estate income as well as lower costs, particularly in connection with the milder winter. Despite this increase in profits, the return on total capital of 4.5% is still considerably lower than the cost of capital.

We can thus draw our first conclusion as follows: **DB Group is continuing to grow and it is achieving profitable growth.** On the next chart, you will see that we will continue to invest strongly in our future.

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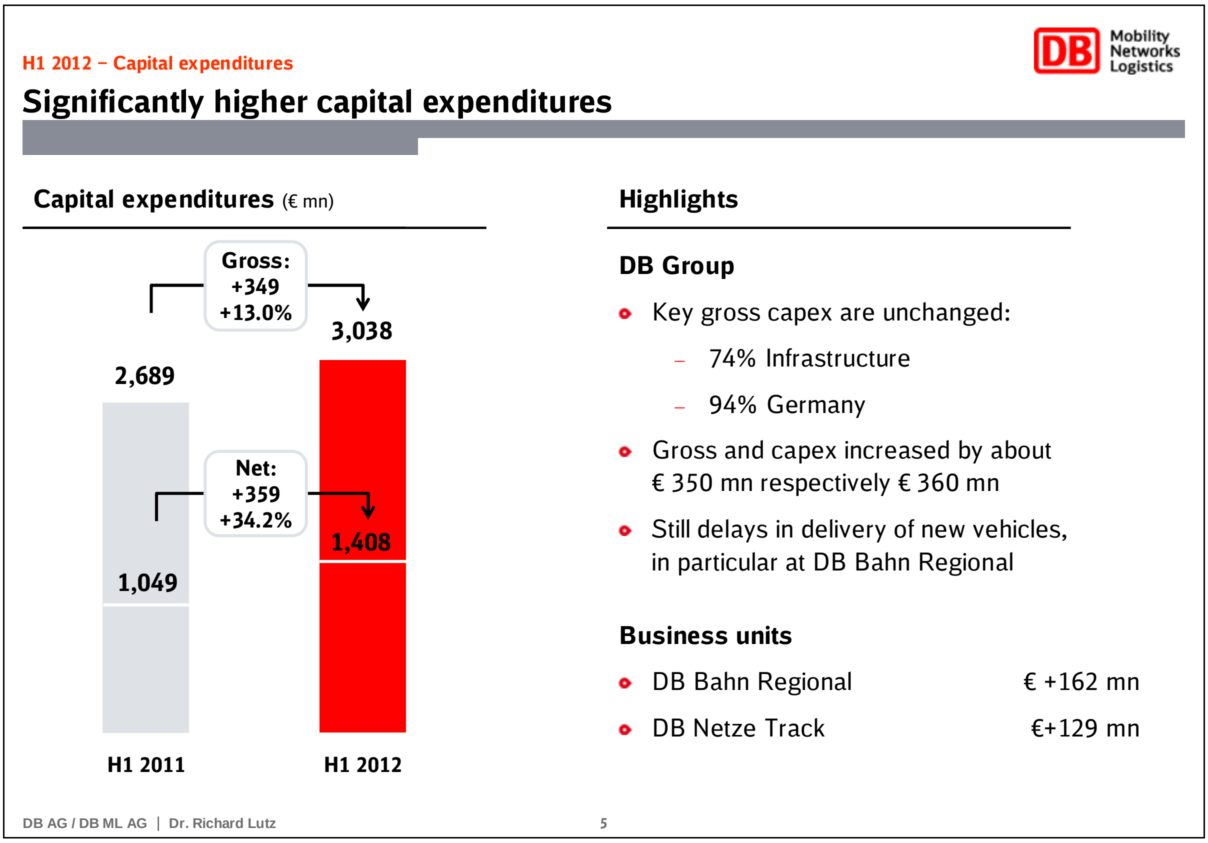


The increase in our capital expenditures in the first half of 2012 is entirely attributable to the development in net capital expenditures, in other words, the capital expenditures which we finance out of our own resources.

Gross capital expenditures of approximately 3.0 billion euros were 13% or 350 million euros higher than the corresponding figure for the first half of 2011.

The **key areas of capital expenditures** were again infrastructure, accounting for 74% of total capital expenditures, and Germany, which accounted for 94%.

Net capital expenditures have increased by around 360 million euros or around 34%.

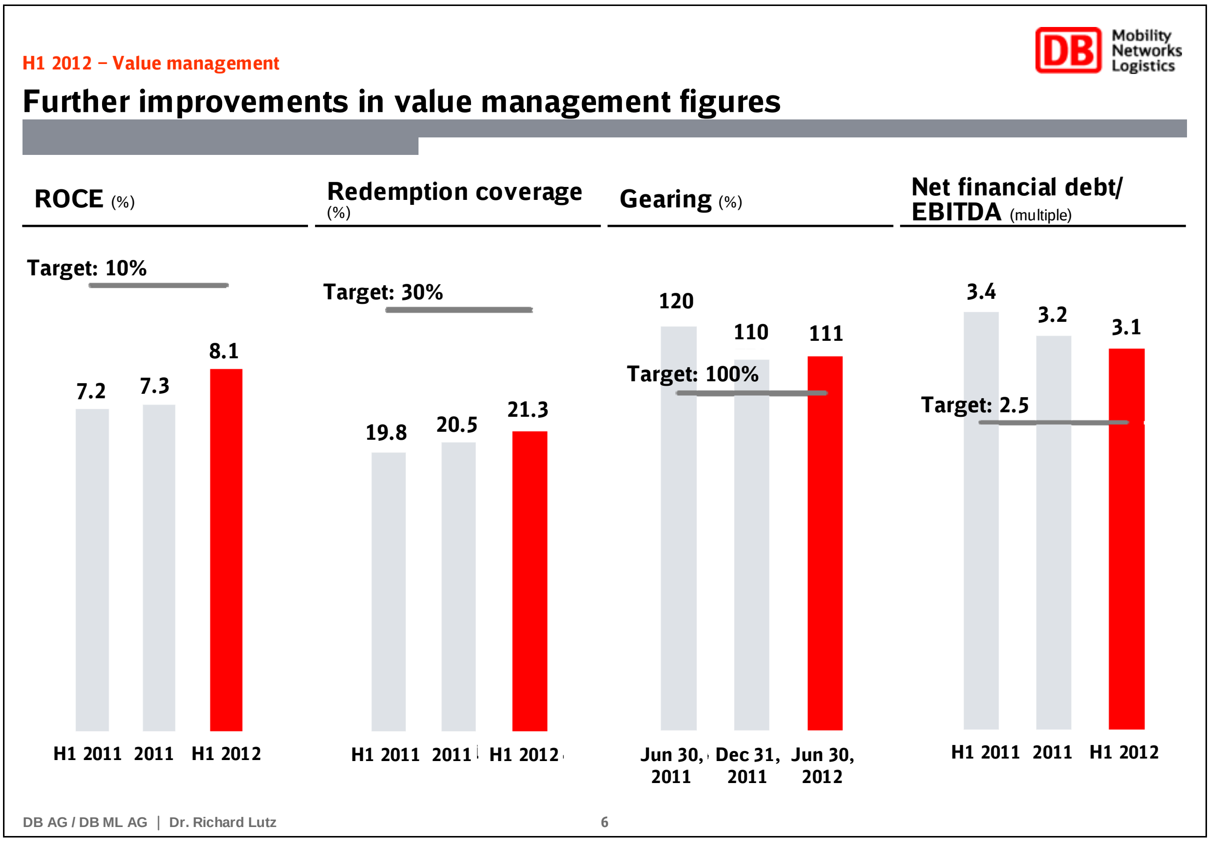
At the level of the business units, the increase was mainly attributable to two areas:

- The business unit **DB Bahn Regional,** with a gain of approximately 160 million euros. This also reflected the initial deliveries of the long-expected Talent 2 trains. However, there is still a delay in deliveries of vehicles compared with the agreed deadlines, and these deliveries are accordingly below our expectations.

- The business unit **DB Netze Track** has posted a gain of around 130 million euros, with higher capital expenditures in rail infrastructure financed out of own resources.

As you can see: We are investing considerably in the future of this company and thus also in the future of rail transport in Germany.

I now wish to come to my **second core message:** DB Group continues to stand for **financial stability and reliability**. This can be seen in the fact that our good ratings of AA / AA / Aa1 are unchanged, and is also reflected in our value management figures.



A glance at the figures shows a consistently **positive development.** This means that we are clearly still moving in the direction of our medium-term targets.

- **ROCE** has increased by around one percentage point to 8.1%.
- **Redemption coverage** has improved to 21.3%.
- **Gearing** is virtually unchanged at 111%.
- The ratio of **net financial debt to EBITDA** has improved to 3.1.

We are thus moving in the right direction, although we have not yet arrived at our destination.

And this now leads me to the conclusion of my presentation and my **third core message**: Despite the difficult economic conditions in the first half of 2012 and despite a more moderate assessment of market conditions for the second half of 2012, we are still assuming that DB Group will again be able to report **positive growth in the 2012 financial year** and that we will be able to improve in terms of all major figures compared with the previous year.

Our current **expectations for te 2012 financial year** are set out in the following chart:

2012 financial year – Outlook

Outlook for 2012 financial year is still positive

(€ mn)	2011	Outlook 2012 (as of March 2012)	Outlook 2012 (as of July 2012)	Change
Revenues adjusted	37,901	~40,000	~39,000	Dampened growth expectations at DB Schenker
EBIT adjusted	2,309	>2,600	>2,600	Outlook confirmed
Gross capital expenditures	7,501	↗	↗	Outlook confirmed
ROCE (%)	7.3	>7.5	>7.5	Outlook confirmed
Net financial debt as of Dec 31	16,592	→	→	Outlook confirmed

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Our **outlook for the 2012 financial year** continues to be positive, but there are still several question marks regarding the economic climate. In our outlook, we have assumed that economic developments and markets will weaken compared with 2011, but that the overall situation will continue to be positive. This is based in particular on the assumption that the current events in connection with the sovereign debt crisis in Europe will not have any significantly negative impact on the real economy and our transport markets.

In the comparison between our forecast from March and the current forecast, you can see that we have reduced our **revenue forecast** by around 1 billion euros or 2.5% from around 40 billion euros to around 39 billion euros. Overall, we are now expecting revenue growth of only around 3% compared with the previous year figure. This reduction is mainly due to our updated assessment for the two business units at DB Schenker which are sensitive to the economic climate. In international logistics and also in European rail freight transport, we are now only assuming a slight increase in revenues compared with the previous year based on current market expectations. This means that the trend which we have seen particularly in the comparable figures for the first half of 2012 will also tend to continue in the second half of 2012. Based on our current assessment, it is no longer likely that there will be a significant recovery in the economy in the remainder of the year.

In view of the lower revenues in the two business units of DB Schenker, our **profit expectations** for these two units have also declined. Whereas at DB Schenker Rail, as a result of the countermeasures which have been introduced, we are still confident that we will be able to significantly outperform the previous year EBIT of around 30 million euros, we are now only expecting a slight improvement compared with the previous year EBIT of around 400 million euros at DB Schenker Logistics. It is true that this figure is lower than our expectations in March, but is still a positive development in the context of the economic headwind.

With regard to the **development in results of the overall Group**, we are still able to confirm the forecast of EBIT of more than 2.6 billion euros which was reported at the accounts press conference in March. The stable and robust development in profits in the business units in Passenger Transport and in Infrastructure mean that we are very confident in this respect. We are also able to confirm our forecasts from March in relation to the development of capital expenditures, ROCE and net financial debt.

My **conclusion regarding the overall situation** is therefore clear: DB Group is naturally also exposed to the risks of a world-wide and nation-wide recession, as we have seen in 2009. And of course, uncertainty on the markets and the probability of such economic scenarios have tended to become more significant in recent months. We would also be prepared for such situations. However, at present, we are not assuming that we are currently on the threshold of a global recession; we believe that we are merely observing a temporary economic downturn in the current climate. Such an assessment is of course based on the assumption that the problems relating to the euro crisis are resolved in such a way that confidence returns to the markets and that the real economy can return to stable and sustainable rates of growth.

In such an economic scenario, we can look forward to the future with confidence for DB Group. Our existing **track record** has demonstrated that we are in a very good position not only to operate in periods of fine economic weather but that we are also able to achieve growth in profits and cash flow even when the prospects for the economy are clouding over. This is also demonstrated impressively by the current figures for the 2012 financial year: In the first half of 2012, and despite the difficult overall conditions, **DB Group has generated the highest revenues and highest EBIT in its history.** And if we are able to avoid sliding into a global recession in the second half of the year, we can assume that DB Group will also be able to report new record figures for revenues and results for the whole of 2012. This is a further demonstration of the robust nature of our business portfolio and also demonstrates that our activities in Passenger Transport and Infrastructure are resistant to economic problems.

Ladies and Gentlemen, with this moderately optimistic outlook for the whole of 2012, I should now like to bring my presentation to an end.

I thank you for your attention and, in the same way as Dr. Grube and my other colleagues on the management board, look forward to fielding your questions.

Appendix

H1 2012 – At a Glance

Highlights H1 2012

Business environment	• Germany again with the strongest economic development in Europe • Economic momentum slows down noticeably • Uncertainties due to sovereign debt crisis are still existing • High burdens from increasing energy, personnel and maintenance expenses
Passenger Transport	• Positive development in rail passenger transport in Germany • In Europe development varying from country to country
Transport and Logistics	• Performance decrease in rail freight transport • Mixed picture in the area of transport and logistics: strong increase in ocean freight, slight increase in European land transport, decrease in air freight
Infrastructure	• Train-path demand slightly lower • Demand from non-Group railways increased again, share of total at 21.7%

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H1 2012 – Revenues

Revenue increase in almost all business units

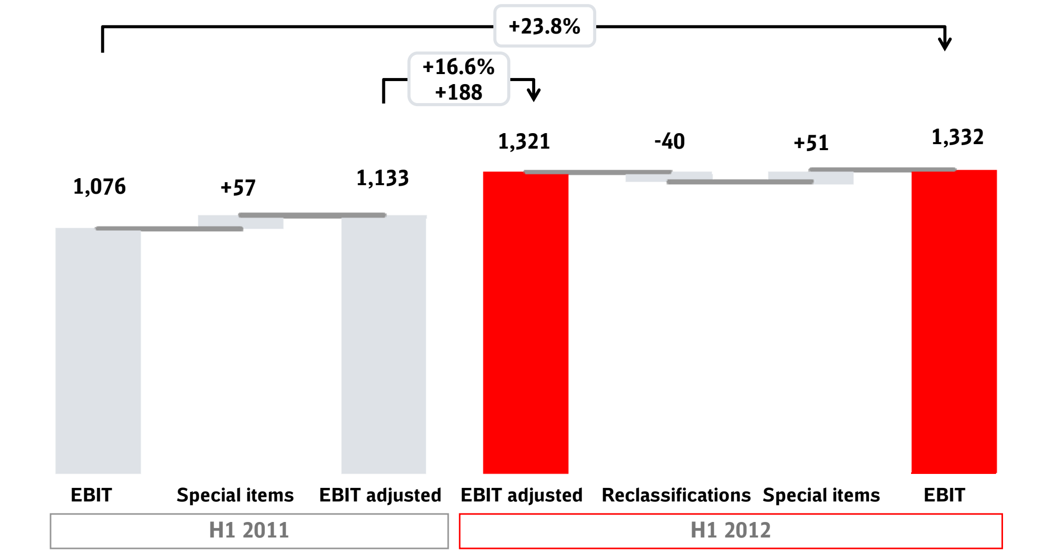
Total revenues (€ mn)	H1 2011	H1 2012	Adjustments Consol.[1]	Adjustments FX	H1 2012 comp.	Change €	Change %
DB Bahn Long-Distance	1,825	**1,969**	-	0	**1,969**	+144	+7.9
DB Bahn Regional	4,365	**4,425**	-	-	**4,425**	+60	+1.4
DB Arriva	1,632	**1,772**	-14	-62	**1,696**	+64	+3.9
DB Schenker Rail	2,481	**2,485**	-11	-6	**2,468**	-13	-0.5
DB Schenker Logistics	7,466	**7,715**	-28	-151	**7,536**	+70	+0.9
DB Services	648	**687**	-	-	**687**	+39	+6.0
DB Netze Track	2,269	**2,328**	-	-	**2,328**	+59	+2.6
DB Netze Stations	537	**559**	-	-	**559**	+22	+4.1
DB Netze Energy	1,448	**1,440**	-	-	**1,440**	-8	-0.6
Other/Consolidation	-3,795	**-3,888**	-	-	**-3,888**	-93	+2.5
DB Group	18,876	**19,492**	-53	-219	**19,220**	**+344**	**+1.8**

[1] Changes in scope of consolidation.

H1 2012 – Profits

EBIT developement significantly positive

EBIT and EBIT adjusted (€ mn)



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H1 2012 – Profits

In total positive EBIT development on business unit level

EBIT adjusted (€ mn)	2011	2012	Change €	Change %	Capital employed	Net financial debt
DB Bahn Long-Distance	46	**192**	+146	-		
DB Bahn Regional	477	**447**	-30	-6.3		
DB Arriva	71	**94**	+23	+32.4		
DB Schenker Rail	58	**24**	-34	-58.6		
DB Schenker Logistics	170	**201**	+31	+18.2		
DB Services	80	**48**	-32	-40.0		
DB Netze Track	262	**398**	+136	+51.9	**17,830**	**9,924**
DB Netze Stations	124	**140**	+16	+12.9	**2,875**	**1,236**
DB Netze Energy	24	**55**	+31	+129	**909**	**198**
Other/Consolidation	-179	**-278**	-99	+55.3		
DB Group	1,133	**1,321**	+188	+16.6	**32,479**	**16,954**

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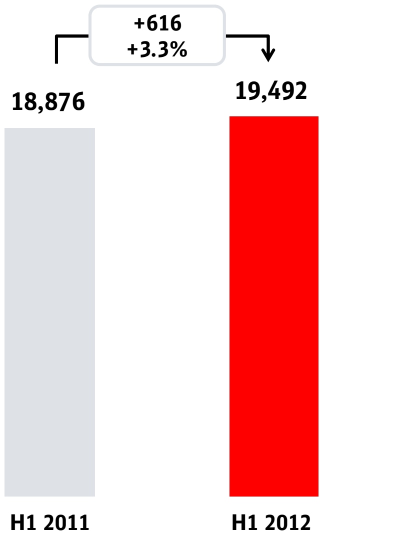
H1 2012 – Revenues

DB Group continues on growth path

Revenues (€ mn)



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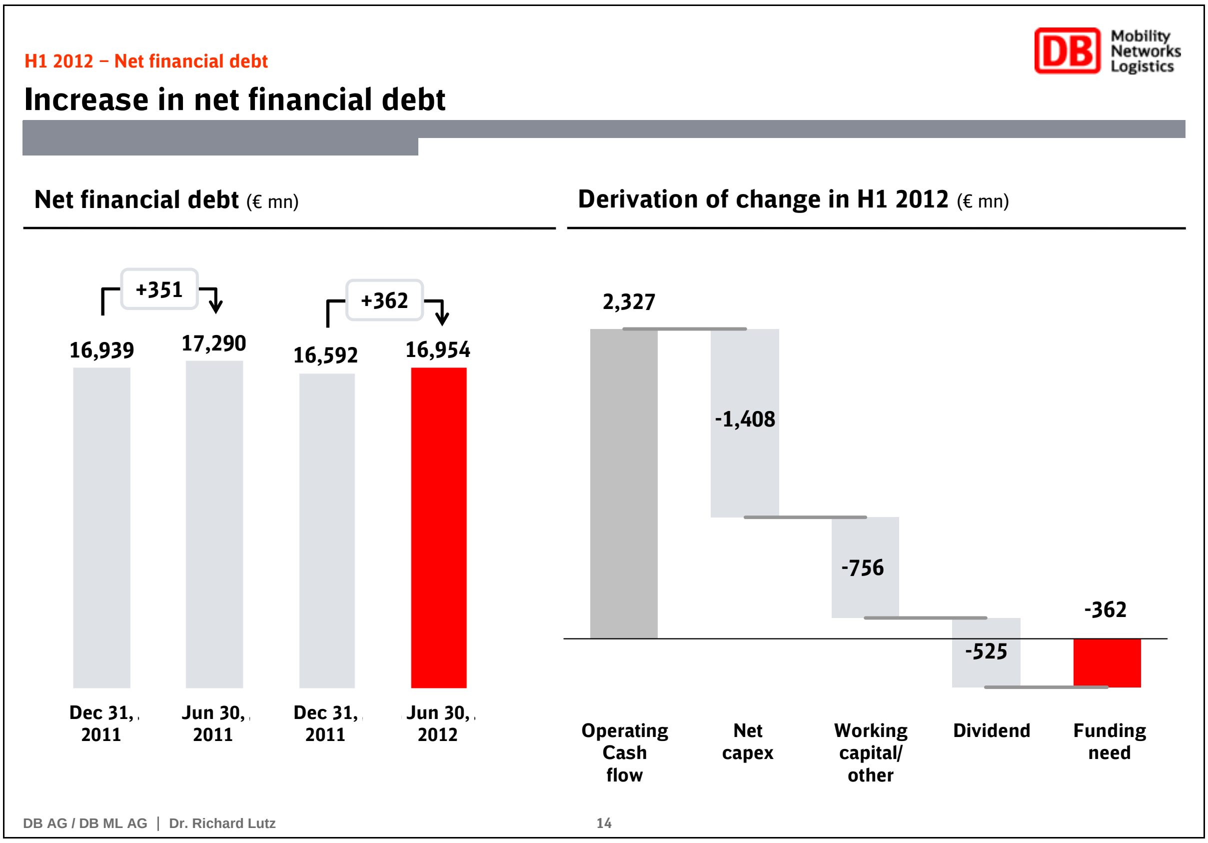

Speech of Dr. Richard Lutz, CFO of Deutsche Bahn AG
and DB Mobility Logistics AG, on the occasion of
the Interim Results Press Conference 2012 on July 26, 2012 in Berlin.

The spoken word takes precedence.

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