

# DSB buys German rail operator

Press meeting, 4 March 2010



# DSB's international milestones and strategy



## Milestones

- 39 million passengers abroad in 2009
- With Västtrafik and Krösatåg in Sweden, DSB will have 55 million passengers abroad from the end of 2010

## International expansion

- DSB will still expand abroad:
  - Geographical focus on Sweden and Germany
  - Through tenders with partners *and*
  - Through acquisitions with a view to gain geographical foothold



# DSB enters Germany now



## Office

- DSB has set up an office in Düsseldorf employing six German specialists

## Acquisition

- DSB acquires 50 per cent of the shares in the company VIAS and proactively enters the German rail market \*
- With the acquisition DSB becomes co-owner of two rail operations, the Odenwald and the Rheingau lines, in the Frankfurt area

## Tenders

- DSB expects to take part in bids in Germany in the course of 2010
- DSB will repeat the success in Sweden and create a platform for major future growth in Germany

\* Approval procedures of all formal documents are expected to be completed by the end of May.



# Swedish success transferred to Germany

## Growth strategy

- Same growth strategy in Germany, which has successfully been implemented in Sweden:  
Local footprint will create platform for future growth
- Complex German rail market requires local base
- DSB has a strong network, knows the market and has a professional approach
- VIAS presents a unique opportunity and the right timing after the financial crisis

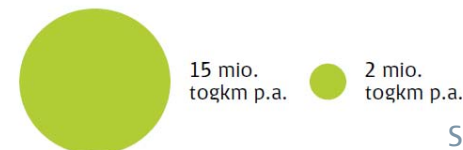
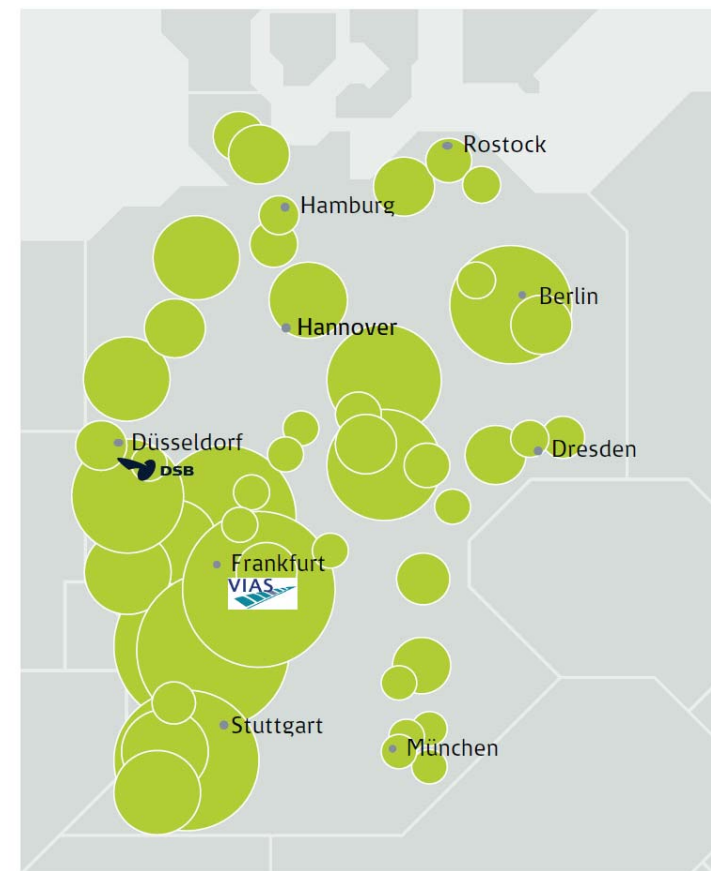


# The German market



- Europe's biggest market for passenger train services
- In the coming years, several tenders are expected and most of them will take place in the area of Germany, where DSB is represented
- The market is complex with a total of 28 traffic authorities with responsibility for tendering traffic services
- Deutsche Bahn (DB Regio) is the biggest operator with a market share of 80 per cent
- Furthermore, there are a few big and several smaller local operators

Map of German tenders in 2010 and 2011

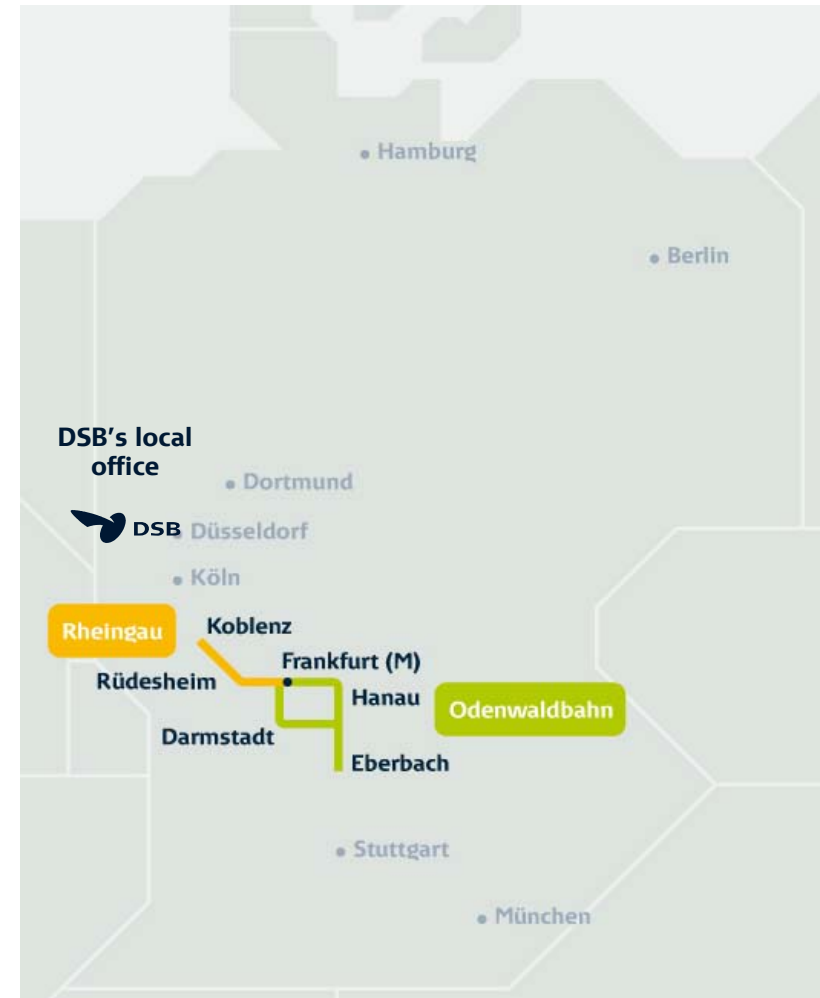


	Germany	Denmark	Sweden
<i>Inhabitants (million)</i>	82	5	9
<i>Growth in passengers (Total % 02-07)</i>	34	16	18
<i>Train km, including long distance services (million)</i>	815	71	90

# The rail company VIAS



- VIAS was established in 2005 by Rurtalbahn and Verkehrsgesellschaft Frankfurt
- Since 2005, VIAS has operated the Odenwald line in the Frankfurt area, and from December this year, VIAS will also be operating the Rheingau line from Frankfurt to Koblenz
- The two contracts, which comprise 4.1 million train km a year, cover 356 km and expire in 2015 and 2023, respectively



# The Odenwaldbahn contract



<i>Contract period</i>	10 years - 12/2005 to 12/2015
<i>Traffic authority</i>	RMV - Land Baden-Württemberg
<i>Contract type</i>	Gross contract Bonus/malus depending i.a. on customer satisfaction and punctuality
<i>Contract</i>	Operation Preparation, cleaning and maintenance of rolling stock Train service Traffic and planning
<i>Train km</i>	2 million a year
<i>Customers</i>	Approx. 2 million a year
<i>Stations</i>	33
<i>Lines</i>	Approx. 220 km, of which 90 km double tracks
<i>Rolling stock</i>	24 new Itino D2 (diesel)



# The Rheingau contract



<i>Contract period</i>	13 years – 12/2010 to 12/2023
<i>Traffic authority</i>	RMV - SPNV Nord
<i>Contract type</i>	Gross contract Bonus/malus depending i.a. on customer satisfaction and punctuality
<i>Contract</i>	Operation (hour frequency) Preparation, cleaning and maintenance of rolling stock Train service Traffic and planning
<i>Train km</i>	2.1 million a year
<i>Customers</i>	Approx. 2 million a year
<i>Stations</i>	27
<i>Lines</i>	Approx. 136 km
<i>Rolling stock</i>	19 FLIRT (electric)



# Bidding partnership with RATH



- DSB has signed a Letter of Intent regarding a bidding partnership with the owner of Rurtalbahn, RATH GmbH
- DSB and RATH have already prioritized bidding activities and intend to submit joint bids in 2010

## Partnership

DSB and RATH / Rurtalbahn have complementary competences

### RATH / Rurtalbahn

- Local contact network
- Bidding competences
- Local experience



### DSB

- International bidding experience
- Experience with several types of traffic and rolling stock
- Traffic planning
- Financial strength

Improved success rate

More resources

Participation in several, bigger and more complex bids

	GERMANY	SWEDEN					DENMARK	DSB GROUP DK+SE
	VIAS Oderwald & Rheingau	Krösa- Tåg*	Väst- Trafik*	Roslags- tåg**	DSBFirst SE**	Sweden	DSB DK***	DSB Group
<i>Passengers p.a. (million)</i>	<b>4</b>	1	15	11	28	55	163	207
<i>Train km (million)</i>	<b>4.1</b>	2.1	7.9	2.3	10.9	23.2	56.5	79.7
<i>Employees</i>	<b>142</b>	70	317	241	400	1,021	8,995	10,016
<i>Stations</i>	<b>60</b>	61	86	38	40	225	248	474
<i>Lines (km)</i>	<b>356</b>	600	957	65	727	2,349	1,711	4,060

\* Estimate for 2011

\*\* Estimate for 2009

\*\*\* Annual accounts 2008 excl. Roslagsbanan

# DSB – an international company

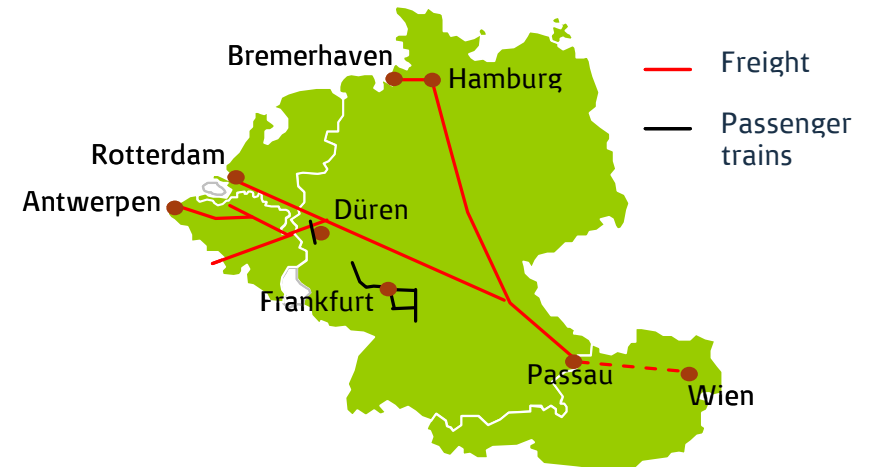
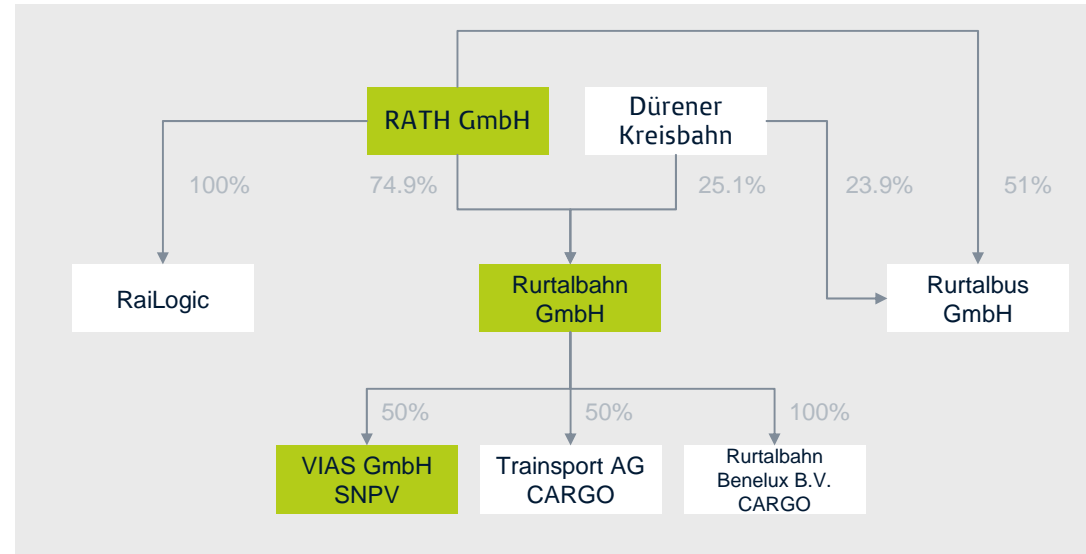
- DSB acquires 50 per cent of the shares in the company VIAS and now proactively enters the German market
- DSB sets up a bidding company with RATH, the parent company of VIAS, and expects already this year to submit bids for rail services in Germany
- Over the coming years, DSB expects major growth in the German market
- Thus, DSB will be present in Germany as well as in Sweden, where from the end of 2010, DSB will service 55 million passengers and operate more train km than in Denmark

# DSB's partner in Germany: RATH



- RATH GmbH was established in 2002 and is owned by Hans-Peter Niessen and the brothers Achim, Ralf and Thomas Schmitz
- The company has the following main activities:
  - Passenger rail transport  
*VIAS and Rurtalbahn*
  - Freight transport by rail  
*Trainsport, Rurtalbahn Benelux*
  - Infrastructure management  
*Rurtalbahn*
  - Training of railway staff etc.  
*RATH, Raillogic*
  - Passenger transport by bus  
*Rurtalbus*
  - Maintenance of rolling stock and buses
  - *VIAS, Rurtalbahn*

## Group structure



# Overall company structure

