

Rail Cargo Group

Your partner in Europe

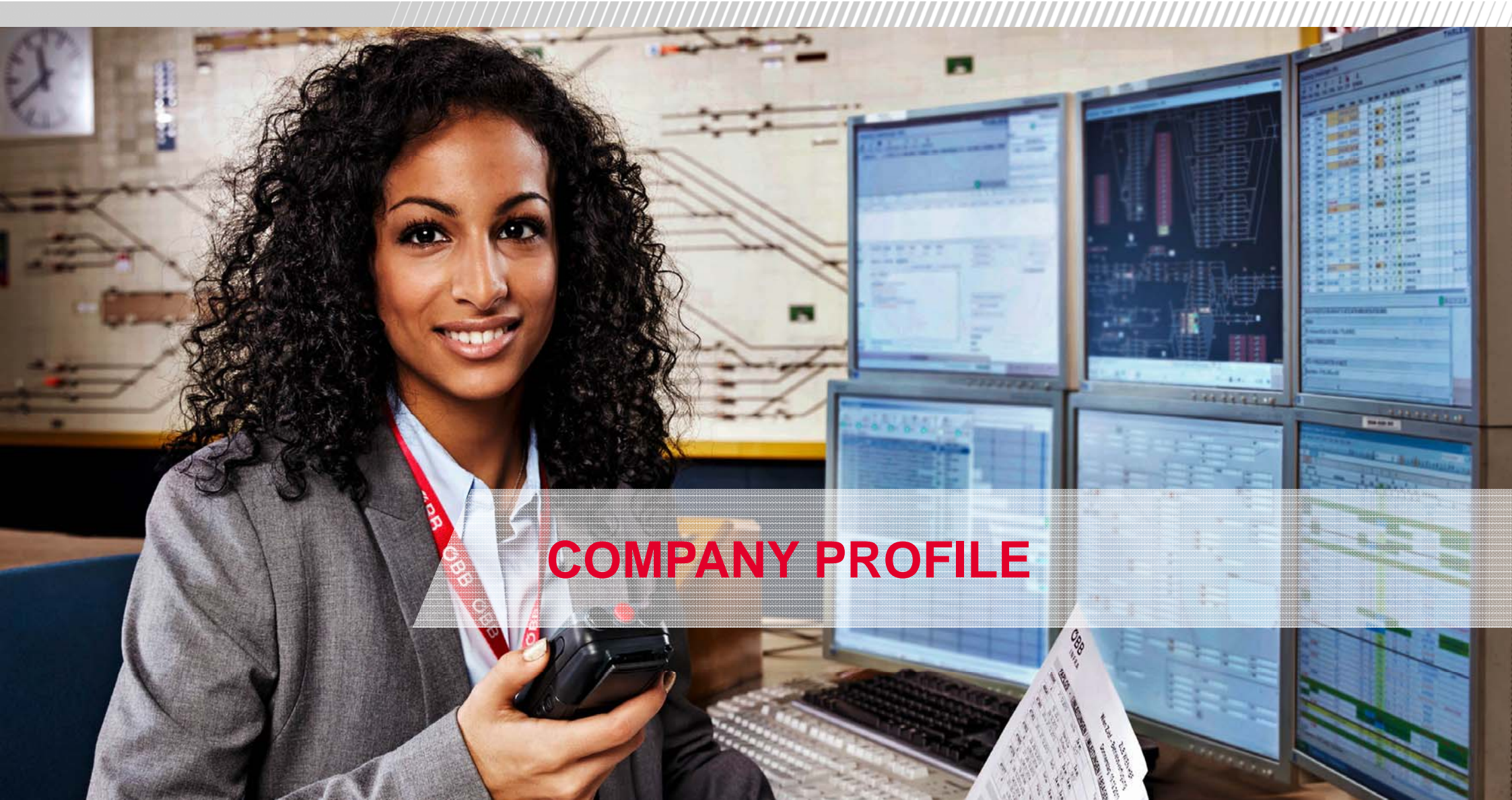
Corporate presentation
Status: March 2015



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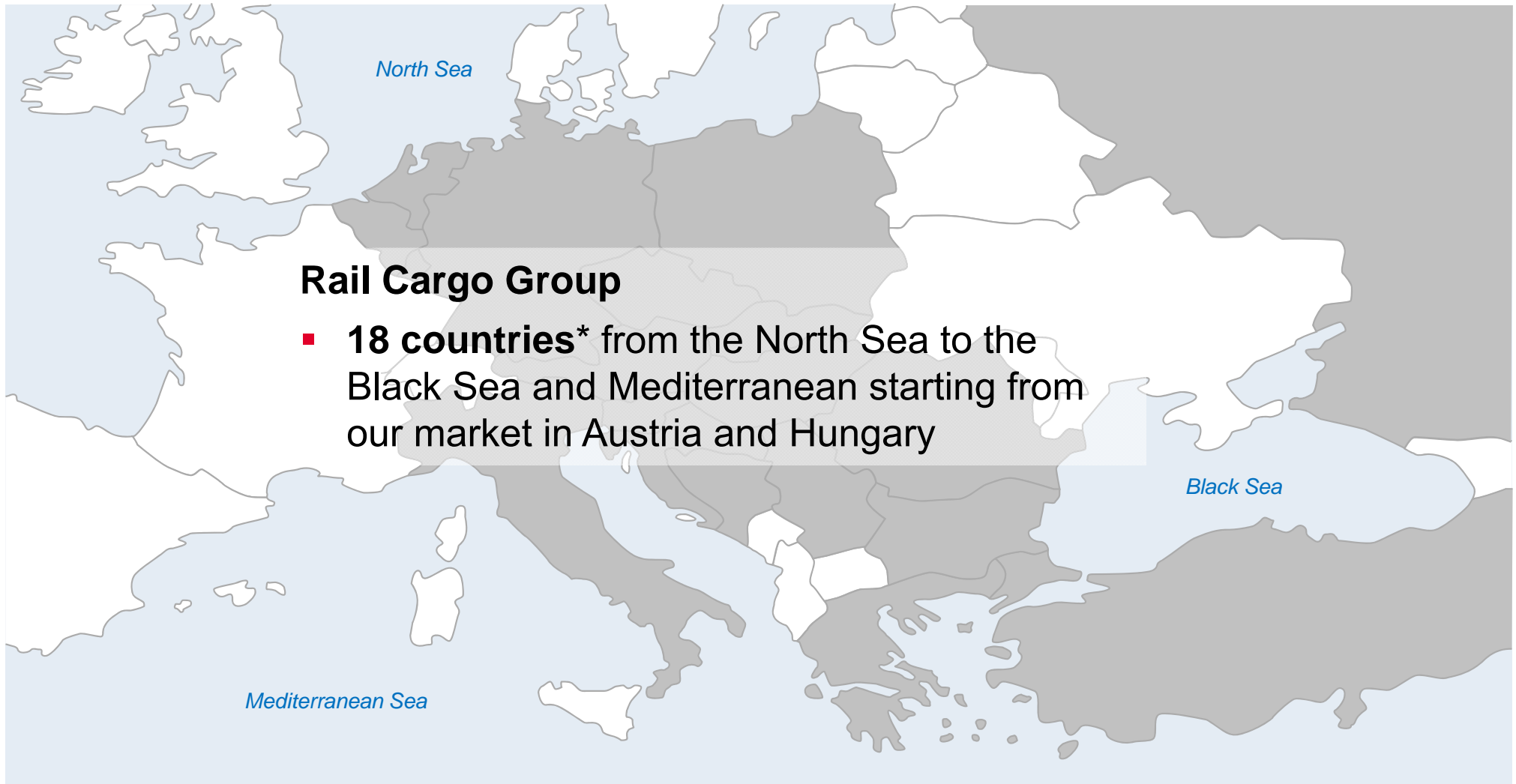
- Company profile
- Facts & figures
- Ownership structure and history
- Countries and principal subsidiaries
- Successfully into the future





COMPANY PROFILE

Tailor-made rail logistics



* AT, BE, BG, BH, CZ, DE, GR, HU, HR, IT, LU, NL, PL, RO, RU, SI, SK, TR

Rail Cargo Group business model

Rail Cargo Group
Member of ÖBB

- Focus on **core competence: railway logistics**
- Transparency through simplicity and **five businesses, each with its own model and markets (internal, external)**
- **Bringing together skills, resources and responsibilities**
- **Consistent brand architecture**

1

Rail forwarding with specialist sector competence

Rail Cargo Logistics
Member of ÖBB

2

Operator for high-frequency long-distance routes

Rail Cargo Operator
Member of ÖBB

3

Carrier for in-house traction provision

Rail Cargo Austria Member of ÖBB / **ÖBB** ÖBB-Produktion GmbH
Rail Cargo Hungaria Member of ÖBB
Rail Cargo Carrier Member of ÖBB

4

Wagon rental

Rail Cargo Wagon
Member of ÖBB

5

Rolling stock maintenance

ÖBB

- ÖBB-Technische Services GmbH
- Technical Services Hungaria Kft.
- Technical Services Slovakia, s.r.o.
- TS-MÁV Gépészet Kft.

Our guiding principles

- We are working with competence and passion on **tailor-made rail freight solutions** for our customers.
- We are **connecting Europe** between the North Sea, the Black Sea and the Mediterranean with our know-how, a targeted use of resources and clear responsibilities.
- We understand **responsible corporate behaviour** as an important tenet for long-term economic success in harmony with the environment and society.
- We find for every new challenge the industry-specific solution and are **investing in innovations and partnerships** together with our customers.
- We are convinced that **quality, reliability and safety** are the cornerstones for customer satisfaction. Our strength is based on experience, because future always needs a past.

Rail Cargo Group strategy

Objective

European champions in customer satisfaction, cost-efficiency and as a great place to work

Strategy

Five complementary international rail businesses

Rail Cargo Logistics
Member of ÖBB

Rail Cargo Operator
Member of ÖBB

Rail Cargo Carrier
Member of ÖBB

Rail Cargo Wagon
Member of ÖBB

ÖBB ÖBB-Technische Services GmbH

- Rail logistics from the North Sea to the Black Sea and Mediterranean (18 countries) starting from our **home market** Austria and Hungary
- Customised **products** – modular and combinable, enabling tailored solutions
- **In-house traction** services undergoing expansion on six corridors
- **Growth** in 7 priority countries* (transit, access to sources/sinks) and maintain a presence in/sell to a further 9 countries** – consolidate and extend market position and competitive advantages

Structure

Four cross-border **sector-specific business units**

One Operator business unit (freight forwarding) and

50+ operational **companies**, of which we have a majority share in 30+ companies

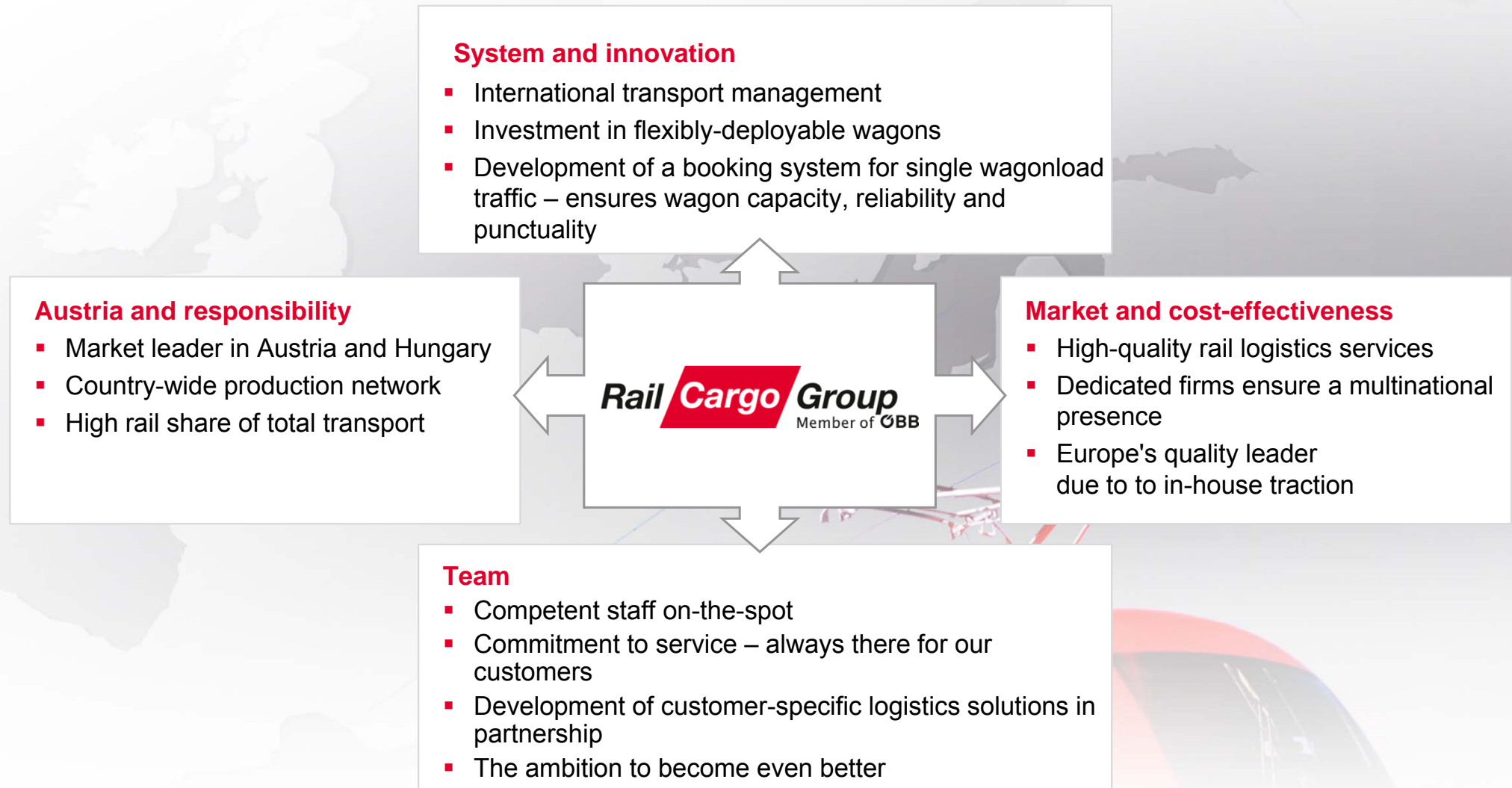
Management

- **Rail Cargo Austria AG** takes the operational **lead** and directs all business/business units internationally (Group function)
- **Rail businesses** in the shape of **Rail Cargo Logistics** and **Rail Cargo Operator** are responsible for upholding pledges to customers (profit centres)
- **Rail Cargo Carrier, Rail Cargo Wagon** and **ÖBB-Technische Services** guarantee maximum service provision (service centres)

* BE, CZ, DE, IT, LU, NL, TR

** BG, BH, GR, HR, PL, RO, RU, SI, SK

What sets us apart – and what our customers gain



Services beyond borders



Rail Cargo Group deploys innovative wagon systems

Examples of innovative solutions

Separation of basic wagon & add-on, combined with various loading/unloading devices.



InnoWaggon

Success factors

- Developing **Unique Selling Points** in product portfolio: includes incorporation of customer-specific modifications (add-ons) and optimisation of useful life
- **Cost reduction through standardisation**
 - Purchasing
 - Maintenance/storage of spare parts
 - Cost-effective technical modifications (add-ons)
- **Optimised capacity utilisation**
 - Greater flexibility in responding to changes in market needs
 - Combining seasonal traffic flows
 - Higher payload and volume optimisation

Management of Rail Cargo Group

Rail Cargo Group



Reinhard Bamberger
(Board Member, Sales & Distribution)



Georg Kasperkovitz
(Board Member, Finance & Operations)



Erik Regter
(Board Member, Sales & Distribution)

Rail forwarding



Thomas Lippuner
ABC (Automotive,
Building Materials,
Consumer Goods)



Bernd Müller
Timber & Paper



Klaus Zwinz
MAC (Mineral Oil,
Agricultural Products,
Chemicals)



Wolfgang Riedl
Coal & Steel

Operator



Erik Regter
(interim)

Carrier



Reinhard Wallner
Production
Management
Rail Cargo Group



Bernhard Benes
ÖBB-Produktion



Imre Kovács
Rail Cargo Hungaria
Rail Cargo Carrier



Nathan Zielke
Rail Cargo Hungaria



Sebastian Sperker
Rail Cargo Carrier

Wagons



Christian Adamiczek



Ferdinand Schmidt

Group-level optimisation

Customer-focused products

- All **products** marketed through **all sales & distribution units**
- **International traffic** developed collaboratively
- Price-optimised packages for multinational **key and group accounts**
- **Varied product range**



Produce more efficiently

- **Coordinate bought-in services from other RU and HGV**
- Optimise **number of own locomotives and wagons** deployed
- **Maximise capacity utilisation of own and leased locomotives and wagons at home and abroad**

Decide faster

- Five distinct businesses with business units as profit centres
- **Bringing together resources and international chains of responsibility for each business**
- **Simplify coordination processes** (products, countries)

Lower risk

- Skills bundling
- **Responsible safety and ECM management**
- Bundling of accounting and receivables management functions
- Securing base load whilst expanding in-house traction provision

Attracting top performers

- **Giving staff the opportunity to shape their own success story**
- **Competent, passionate staff**
- **Group career paths** on a par with the level offered by international logistics leaders



FACTS & FIGURES

Rail Cargo Group at a glance

STATUS: 2013

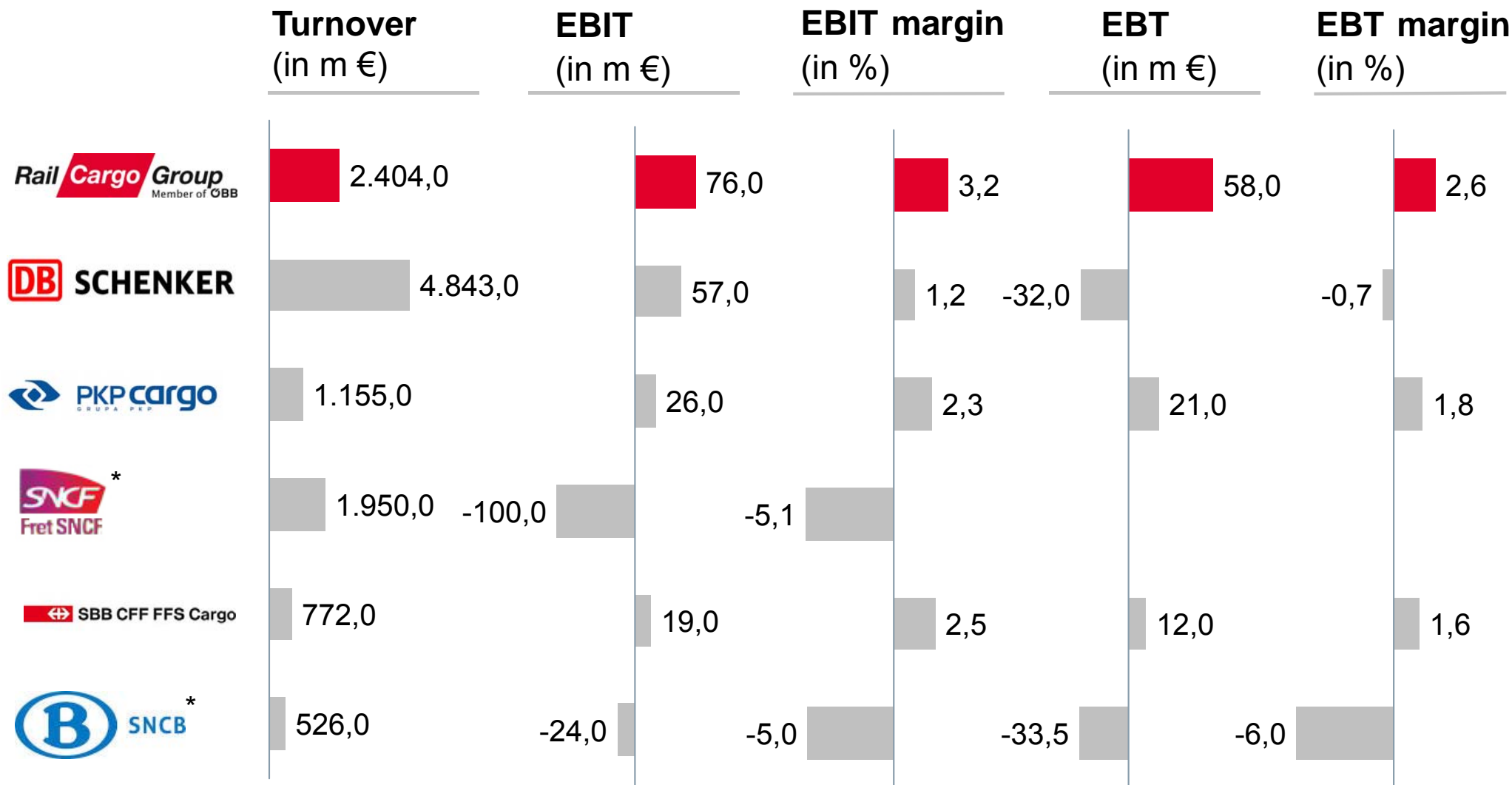
- **Turnover** € 2.3 billions, € 76 millions EBIT
- **Goods carried** 109 million tonnes
- **Tonne kilometres** 25.9 billion tonnes-km
- **Staff** 8,100
- **Locomotives**
 - 450 service locomotives
 - 174 shunting locomotives
- **Wagons** 26,518
- **5 rail business units**
 - 15 Rail forwarding units
 - 4 Operating companies
 - 10 RU
 - 1 Wagon lessor
 - 4 Rolling stock maintenance companies

Rail Cargo Group: facts & figures

STATUS: 2013

	2012	2013	+/- in %		2013	
Goods transported in million tonnes	113	109.3	-3.3%	Rolling stock	Shunting locomotives (diesel)	125
Tonne-kilometres in billion tonnes-km	25.6	25.9	1.2%		Shunting locomotives (electric)	49
Total revenue in million EUR	2,435.8	2,403.90	-1.3%		Service locos (diesel)	92
EBT	29	58.4	101.4 %		Service locos (electric)	358
EBIT	56.3	76	35.0 %		Total	624
EBIT margin in %	2.3 %	3.2 %		Wagons	Covered wagons	5,180
Personnel	9,648	8,157	-15.5 %		Flat bed wagons, open and with stanchions	11,775
					Bulk and silo wagons	3,991
					Steel wagons	1,212
					UCT, ACTS container wagons	3,496
					Tank wagons	99
					Rolling Road wagons and passenger cars	765
					Total	26,518

Benchmark of European freight railways – Rail Cargo Group is European profitability champion



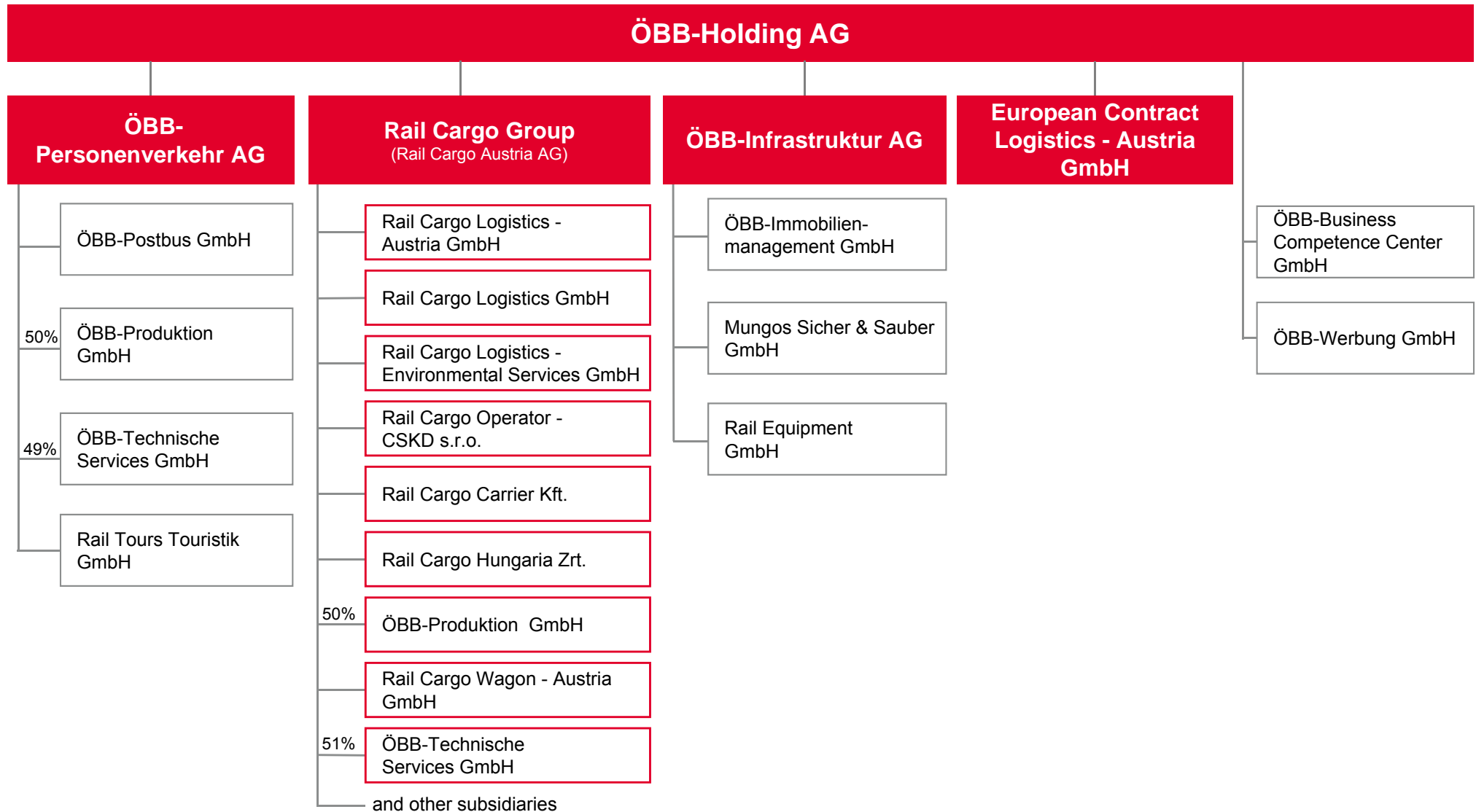
* Estimate



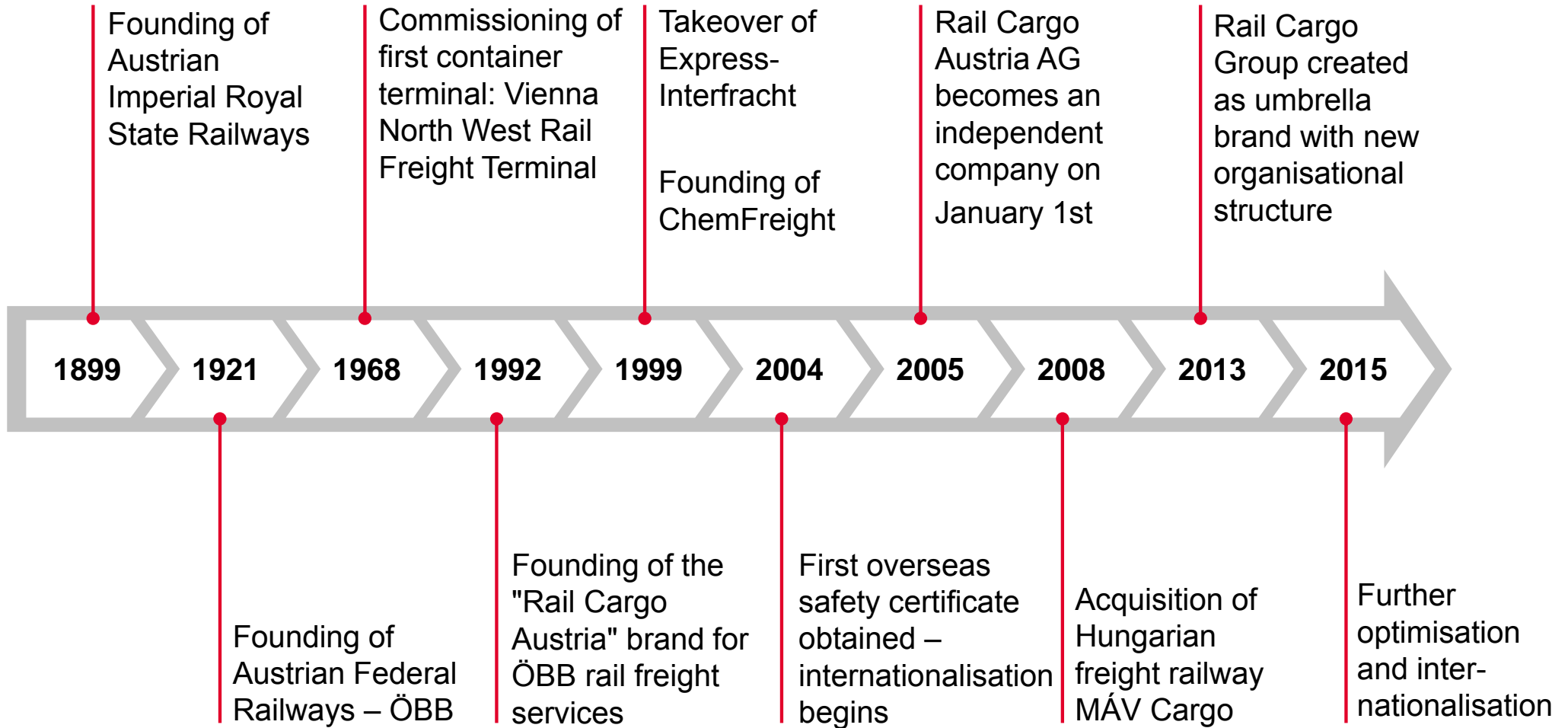
OWNERSHIP STRUCTURE AND HISTORY

Ownership structure – part of ÖBB Group

STATUS: 01.01.2015



History of rail freight at ÖBB

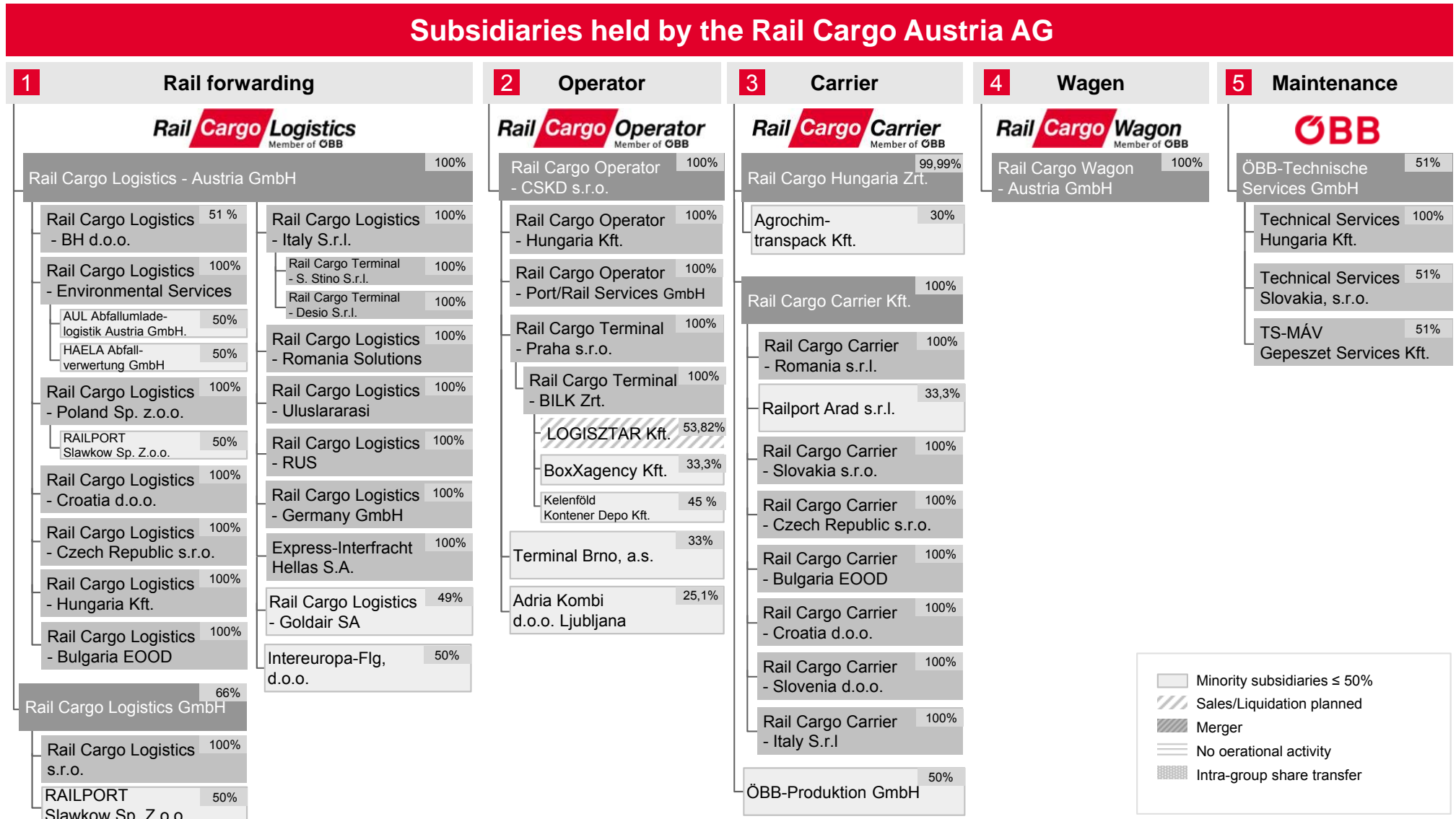




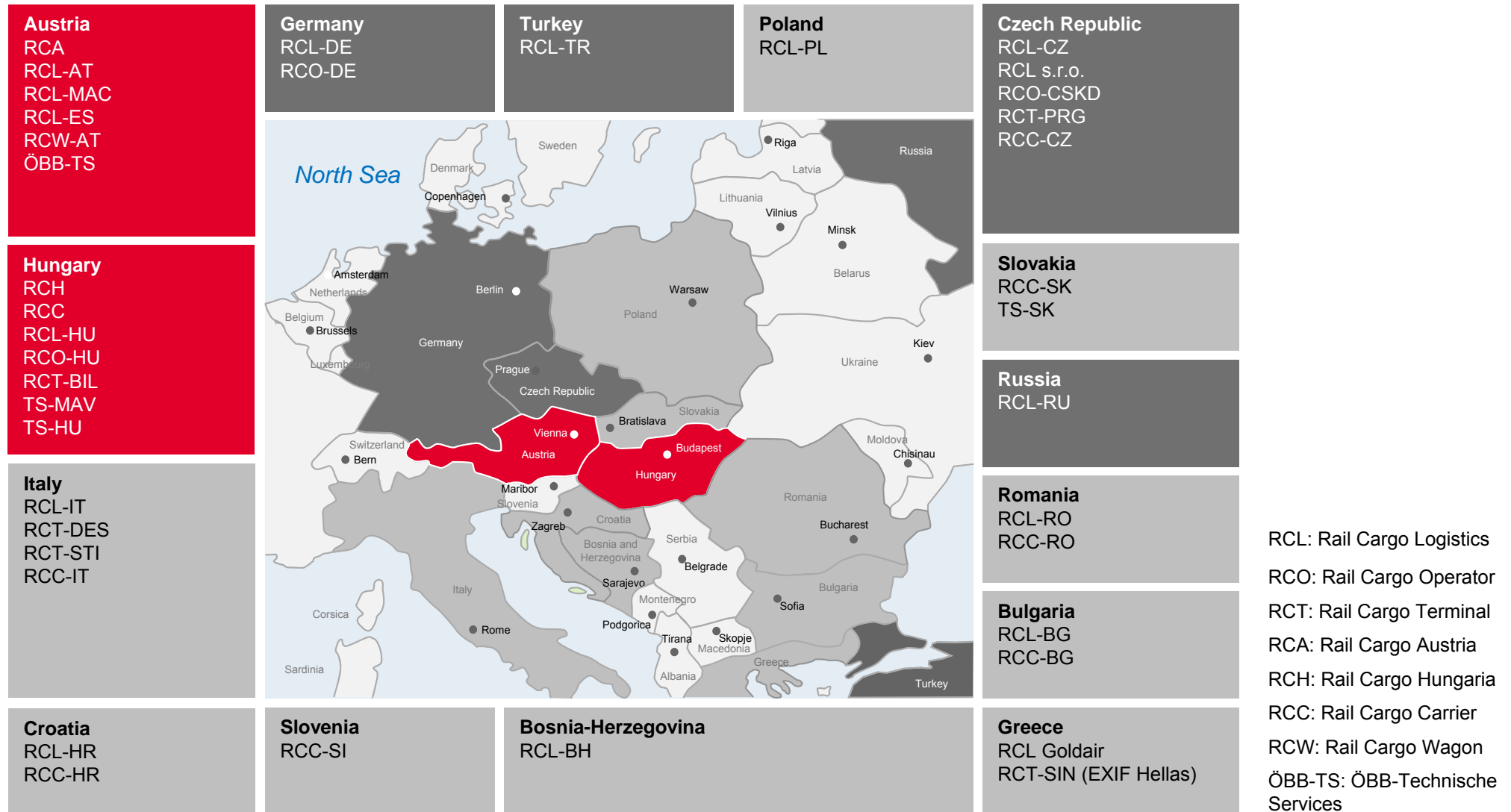
COUNTRIES AND PRINCIPAL SUBSIDIARIES

Subsidiaries held by Rail Cargo Group

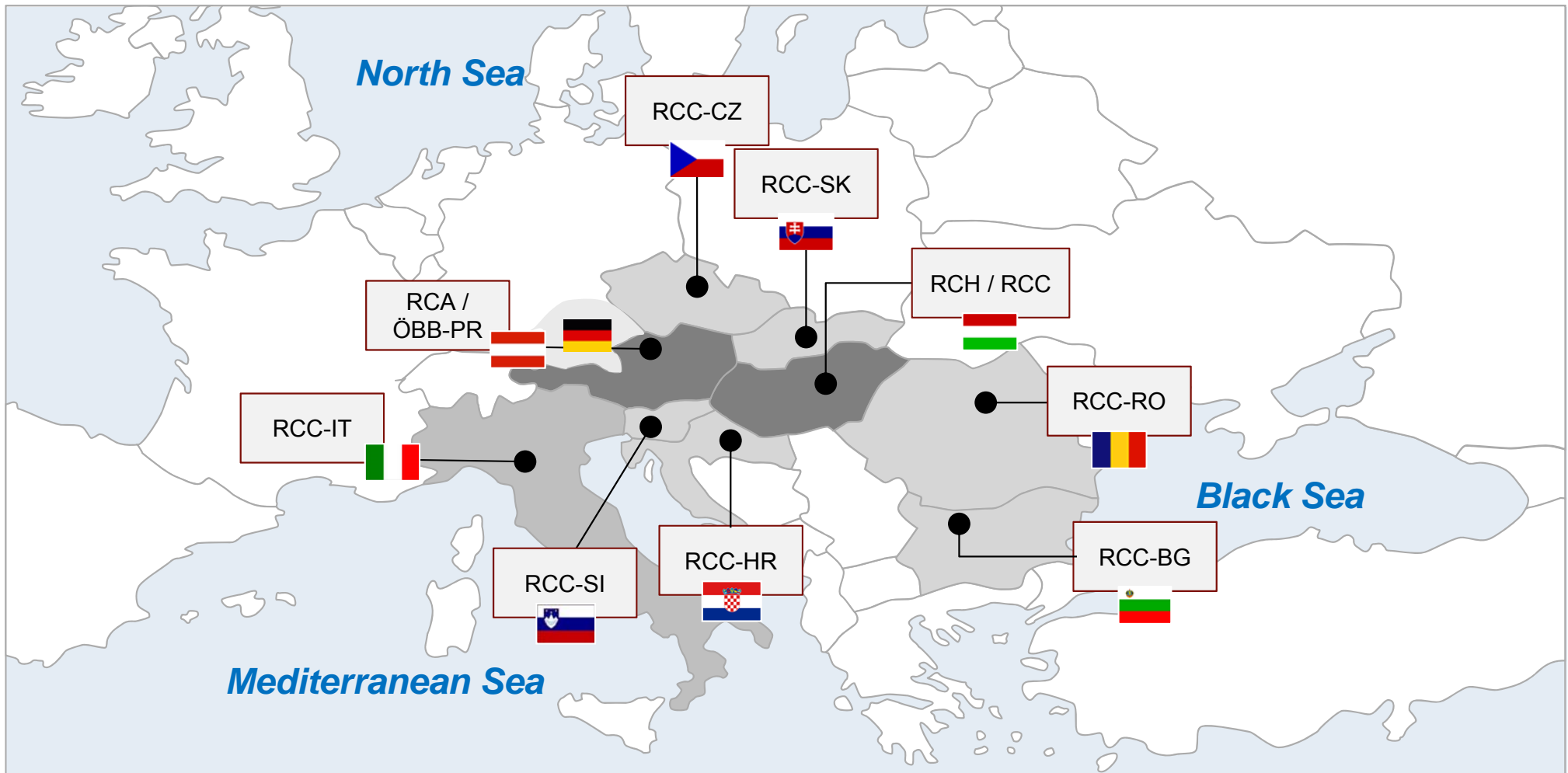
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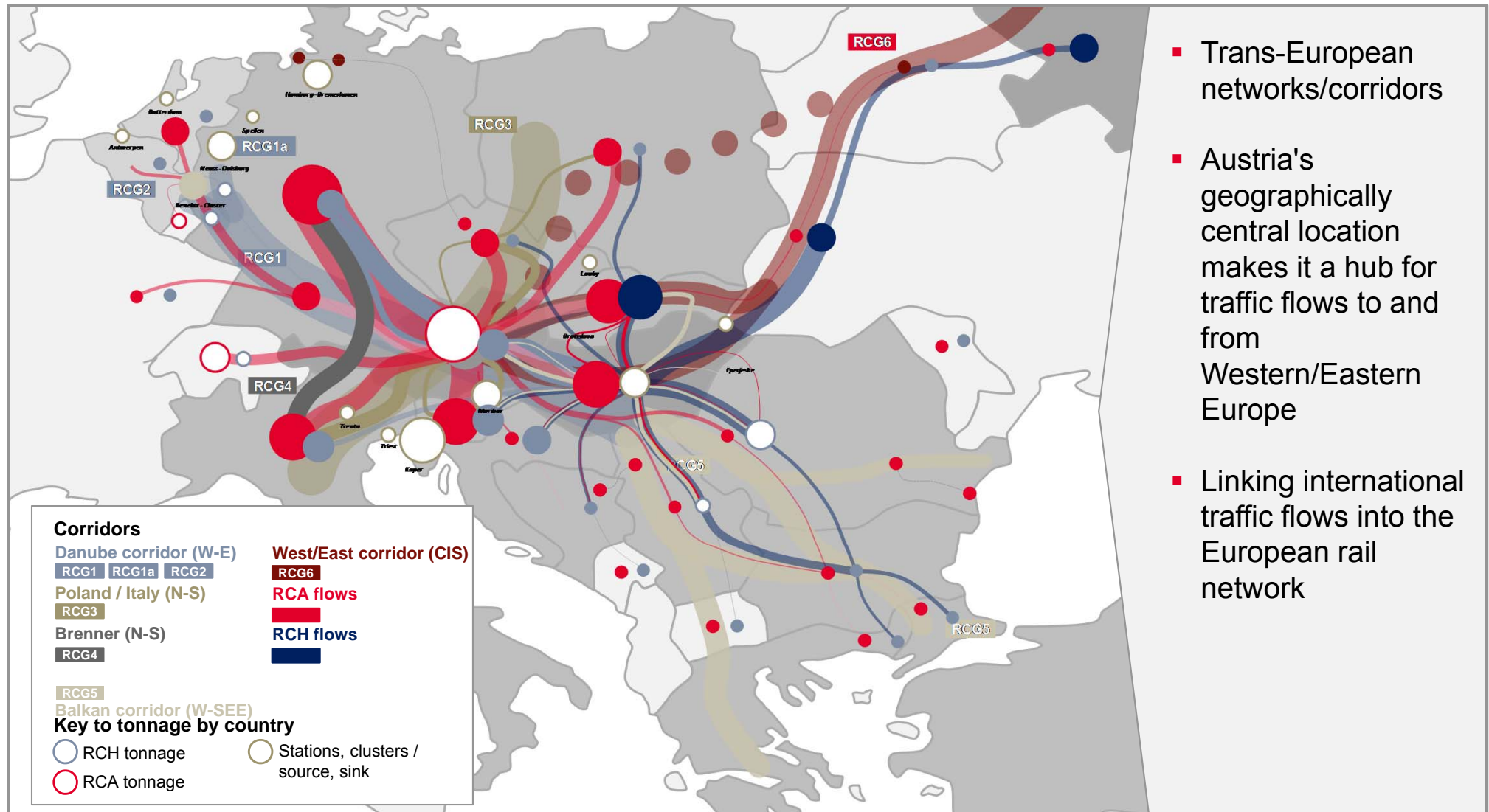
International presence – subsidiaries



In-house traction provided in 10 countries



Current traffic flows and growth corridors for Rail Cargo Group



- Trans-European networks/corridors
- Austria's geographically central location makes it a hub for traffic flows to and from Western/Eastern Europe
- Linking international traffic flows into the European rail network



SUCCESSFULLY INTO THE FUTURE

Aims & objectives

European Champion

- Focus on core competence: Rail logistics
- Market leader in South-East Europe (home market Austria and Hungary), amongst top three railway logistics providers in Europe in transport volume terms (tonnes-km)
- Innovator in rail logistics products

Cost-effectiveness

- Competitive cost structure, particularly vis-à-vis road haulage
- > 2.3 billion EUR turnover, organic growth
- > 4 % EBIT margin (positive EVA, assets preserved)
- Transparency through simplicity and separately measurable and benchmarkable business units
- Maintaining of the market position in Austria and Hungary
- Expanding traction services across European corridors

Customer satisfaction

- High-value umbrella brand
- Close customer relations: Binding performance commitment at every stage, from product design to ordering process and transport

An attractive employer

- A “great place to work“
- Management policy brings together competences, resources and responsibility
- Management has a “turnaround track record“

Rail is eco-friendly

- Every year, we carry over 109 million tonnes of goods. Every wagon carried helps protect the environment.
- As a mode of transport, rail freight emits 18 times less CO₂ than road haulage.
- Rail Cargo Group represents a significant portion of the railways' modal share (itself over 30 %).
- 92 % of ÖBB's traction current comes from renewable energy sources.

Rail

CO₂

CO₂

HGV

...and the railways have it!

Awards

Rail Cargo Group

- Golden Chariot International Transport Award (2014)
- Basic certificate awarded following "berufundfamilie" audit and INEO quality seal of approval as an "Exemplary Trainer of Apprentices" (2014)
- VCÖ Mobility Award (2013) in the "Sustainable freight" category, for the Rail Cargo Group capacity booking system (KAPA)
- Awarded Austrian Seal of Approval for the Promotion of Health in the Workplace by Federal Ministry of Health for RCAcare (2010 and 2013)
- Rail Cargo Hungaria wins Golden Chariot International Transport Award (2013)
- RCAcare commended as a European Model of Good Practice for health management in the workplace (2008)

ÖBB

- ÖBB awarded WKW DiversCity Prize for outstanding achievement in diversity management (2014)
- Effi-Award: ÖBB wins marketer of the year (2012)
- Econ Award (Econ Verlag and Handelsblatt-Group Germany): ÖBB wins Special Award in the "Sustainability Reporting" category (2012)
- Digital Communication Award in the "Crisis Communication" category won by ÖBB-Lovestorm (opening of stations to the homeless during cold snap) (2012)



