

UIC / FIATA Market Place Seminar

October 22nd/23rd, 2009 in Istanbul



Railway Transports between Central Europe and Turkey

Present and Future

SCHENKER & CO AG Vienna, Austria

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Vienna, October 2009

2008 was a very successful year for DB Schenker



DB Schenker - 2008

External revenues (€ bn)	19.3	EBIT (€ mn)	688	Employees ('000)	91.3
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DB SCHENKER Rail

Region	Region	Region
West	Central	East
Intermodal		
Automotive		
External revenues (€ bn)	4.65 (+19.2%)	
EBIT (€ mn)	307	
Employees ('000)	29.2	

DB SCHENKER Logistics

Land Transport	
Air/ Ocean	
Contract Logistics / SCM	
External revenues (€ bn)	14.68 (+4.7%)
EBIT (€ mn)	381
Employees ('000)	62.07

Employee figures: average no. of full-time employees
Source: 2008 Annual Report

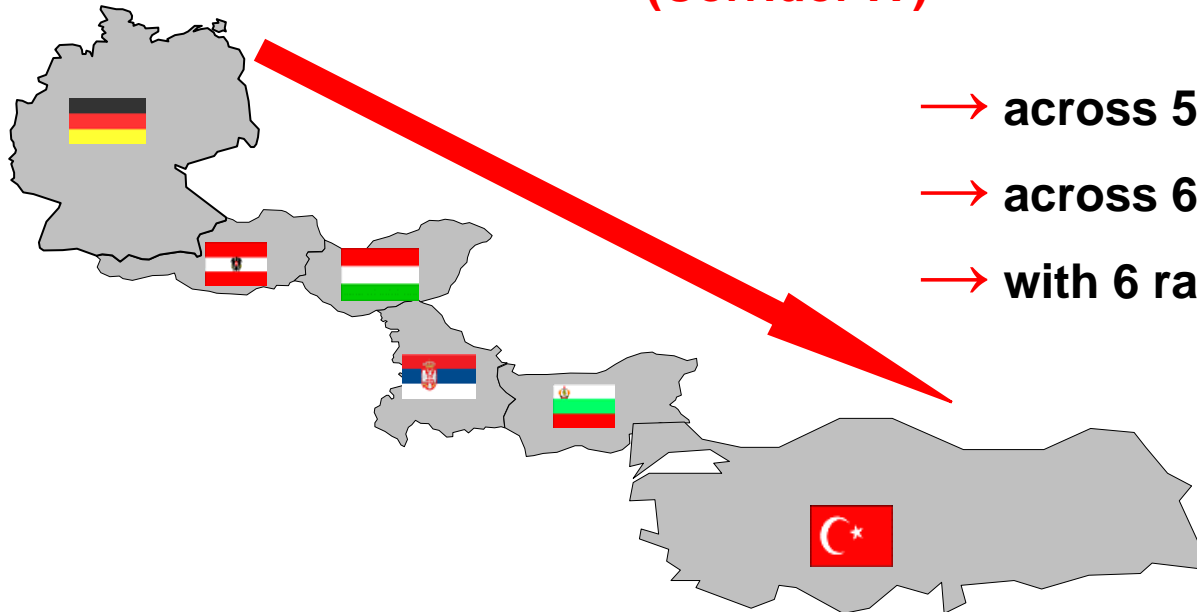
Current Situation Modalsplit



	Modalsplit Rail	Modalsplit Road	Modalsplit Ocean	
to Turkey from Germany	2%	57%	41%	
to Turkey from Czech Republic	28%	72%	0%	
to Turkey from Poland	3%	41%	56%	
from Turkey to Germany	1%	79%	21%	
from Turkey to Czech Republic	3%	97%	0%	
from Turkey to Poland	1%	28%	71%	
Turkey (total)	1,2%	11,4%	86,4%	1% other means of transport
to Greece from Germany	6%	74%	20%	
from Greece to Germany	2%	88%	10%	
Greece Imports (total)	2%	22%	76%	
Greece Exports (total)	1%	23%	76%	

„Barriers / Difficulties“ in organising railway transports between Central Europe and Turkey

Transport from Germany to Turkey (Corridor IV)



- across 5 borders
- across 6 countries
- with 6 railways undertakings

„Barriers / Difficulties“ in organising railway transports between Central Europe and Turkey

Different standards and understandings of service requirements by the railways:

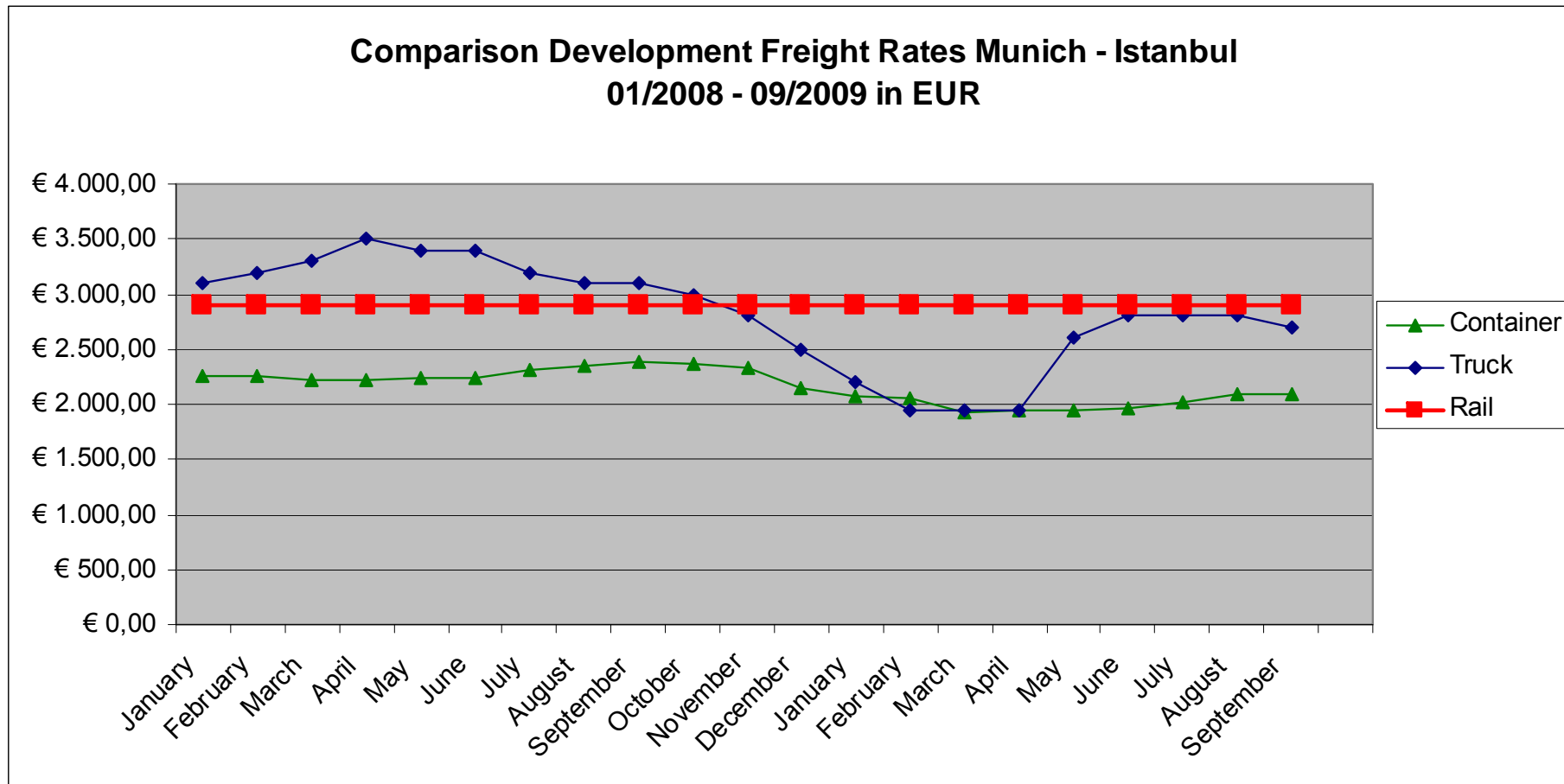
- **Technical standards**
- **Quality of wagon equipment**
- **Services requirements**
- **Transparency (Tracking & Tracing)**
- **Competition & Pricing**
- **Forwarders resp. Rail Logistics Providers**

Every chain is only as strong as its weakest link!

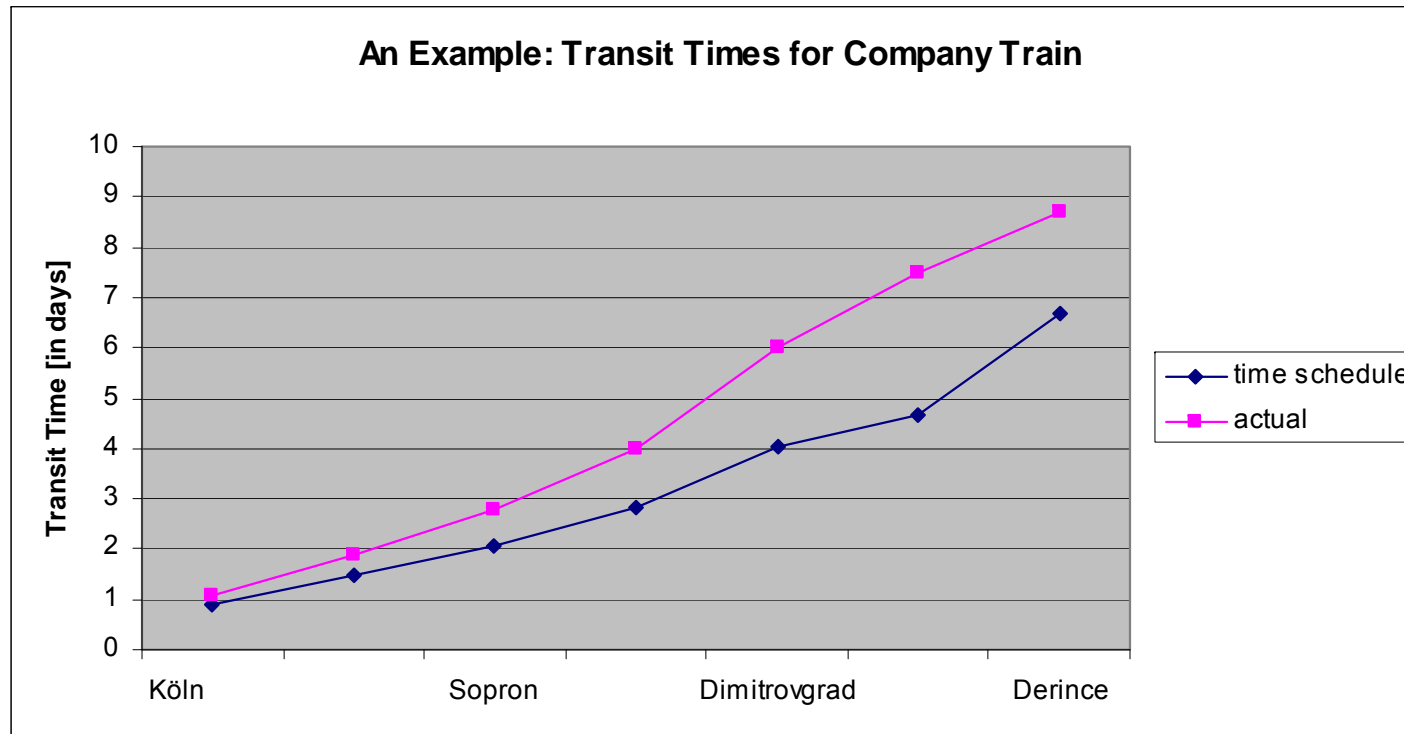
„Barriers / Difficulties“ in organising railway transports between Central Europe and Turkey



Comparison Development Freight Rates Munich - Istanbul
01/2008 - 09/2009 in EUR



„Barriers / Difficulties“ in organising railway transports between Central Europe and Turkey

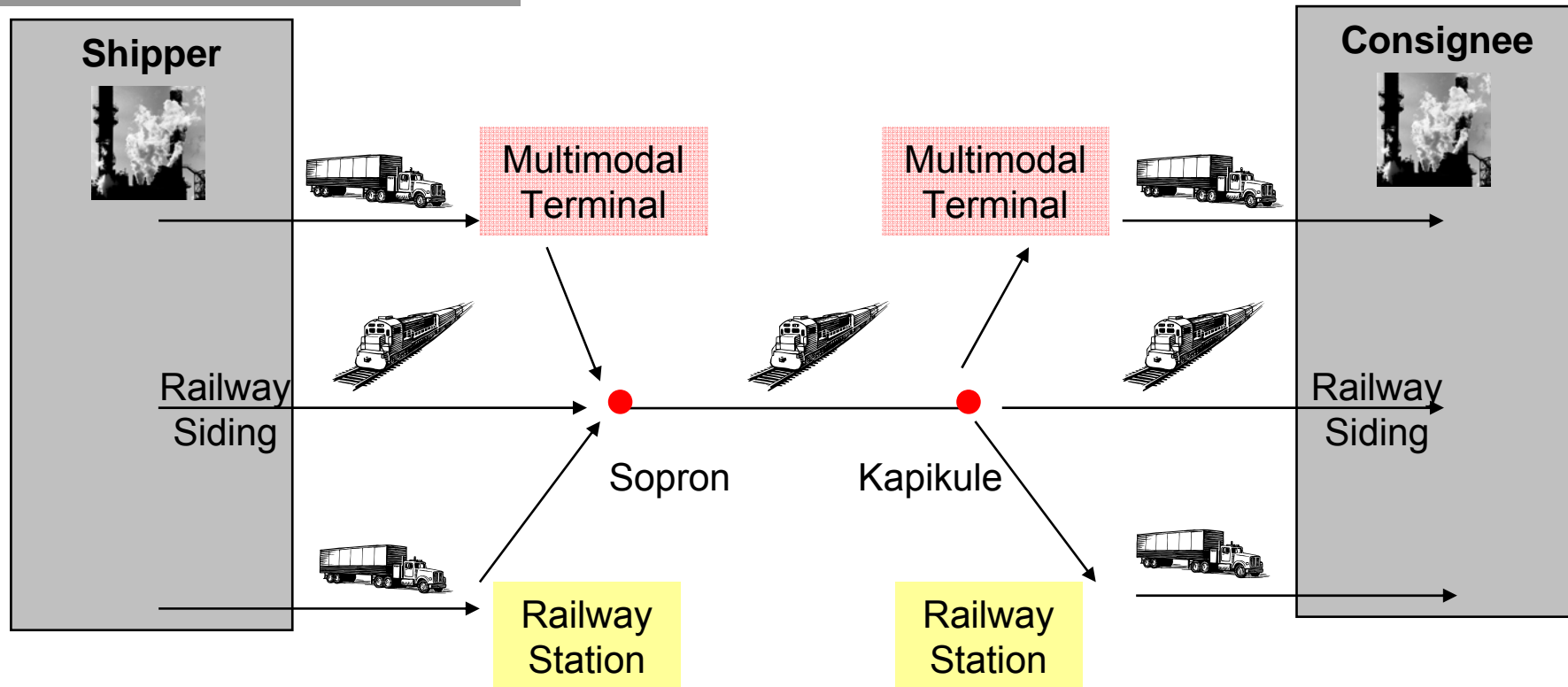


Average transit time for 19 trains (Jan 08 – June 08)

On average it has taken 9 days to travel the route Cologne to Derince instead of 7 days as stated in the fixed time table.

Only 3 trains needed less than 8 days, but 6 trains had a longer transit time than 9 days.

„Barriers / Difficulties“ in organising railway transports between Central Europe and Turkey



**Number of Railway Sidings,
excl. ports and transport/logistics company`s sidings:**

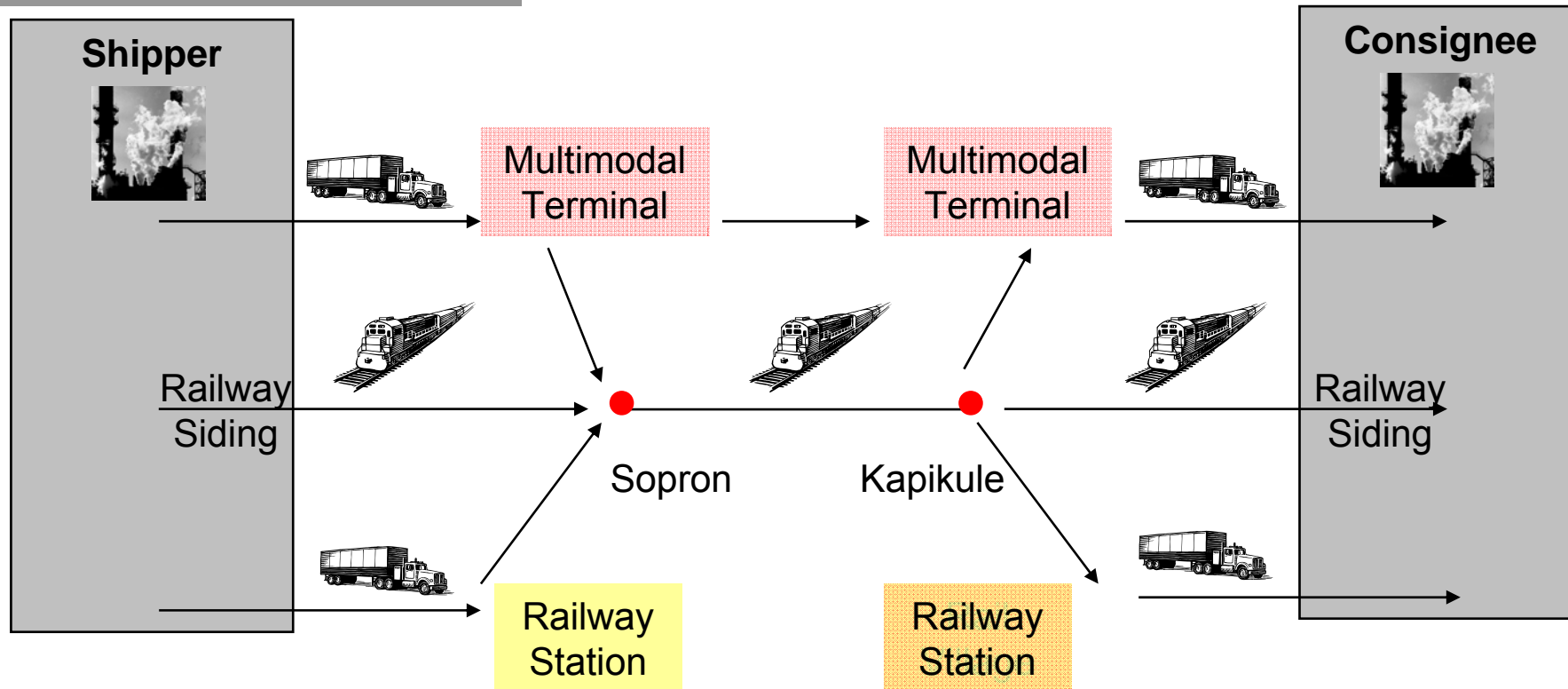
Germany: 2.950 (currently activ)

Austria: 992

Turkey: 2

Greece: 15 (24 locations)

„Barriers / Difficulties“ in organising railway transports between Central Europe and Turkey



Number of Railway Sidings, excl. ports and transport/logistics company`s sidings:

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Short term requirements for a successful development of railway transports to and from Turkey

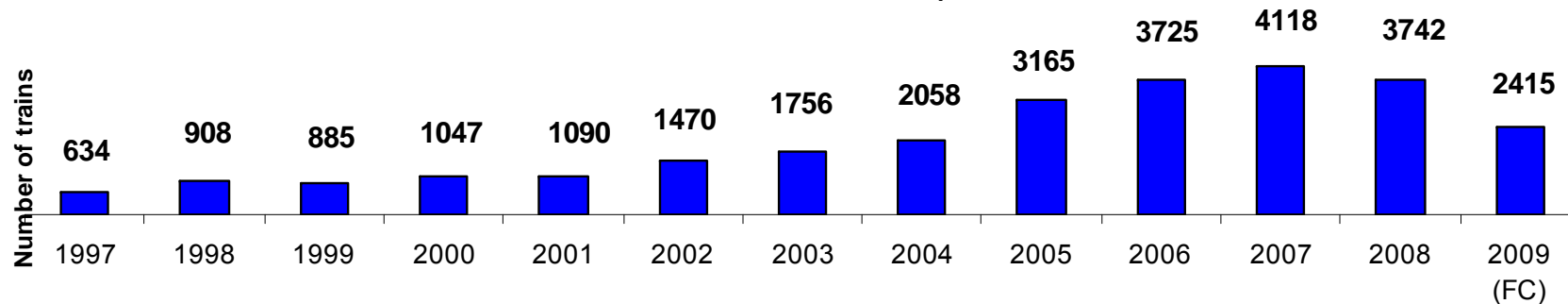


- **Competitive prices especially for Block Trains**
- **Availability of suitable wagons – as required**
- **Higher flexibility for pricing South/North**
- **Reliable and transparent transit times**
- **Tracking & Tracing**
- **Rail/road terminals (Rail Villages)**

Example of a successful train concept to Turkey Balcan Train 1997 - 2009



Balcan Train 1997 - 2009,
Number of trains *)



*) incl. Soptrain

FC based on 01-08/2009

Example of a working train concept to Turkey Balcan Train 1997 - 2009



Reasons for the success of the Balcan Train:

- **Competitive Block Train freight tariffs for forwarders**
- **Forwarders undertake large Block Train commitments**
- **.... and utilisation risks**
- **Utilisation of forwarder`s rail/road terminals for transshipment**
- **300 rail sales specialists sell rail services „Door to Door“**
- **„One Stop Shopping“ for Industry & Trade**

- **The pressure on road traffic will continue to increase**
- **Non-stop Block Train concepts without interruption of the transport at borders**
- **.... between multifunctional Rail Villages**
- **„Classic Railways“ have to take on new roles**
- **Private train operators become increasingly important**
- **Increasing importance of multimodal concepts & solutions**
- **Expansion of rail traffic to/from Near and Middle East**

What do we need in order to realise these visions:

- **Railways ready to work constructively on new concepts across national borders**
- **Otherwise: there will be no alternative to private rail operators**
- **A complete new multifunctional and multimodal terminal infrastructure at the transport interfaces**
- **Specialised „Rail Logistics Providers“ with a pan-European network – as partner of the railways**